2015

ANNUAL REPORT

國浩集團有限公司
GuocoGroup Limited

A Member of the Hong Leong Group

(Stock Code: 53)

CONTENTS

*Please visit our website at **http://www.guoco.com** and click into "INVESTOR RELATIONS" and "Annual and Interim Reports" to view the on-line version of this Annual Report.*

CORPORATE INFORMATION

(As at 28 August 2015)

BOARD OF DIRECTORS

Chairman

Quek Leng Chan

Executive Director

Kwek Leng Hai – *President, CEO*

Non-executive Directors

Kwek Leng San
Tan Lim Heng

Independent Non-executive Directors

Volker Stoeckel
Roderic N. A. Sage
David Michael Norman

BOARD AUDIT COMMITTEE

Roderic N. A. Sage – *Chairman*
Volker Stoeckel
David Michael Norman

BOARD REMUNERATION COMMITTEE

Volker Stoeckel – *Chairman*
Quek Leng Chan
Roderic N. A. Sage

BOARD NOMINATION COMMITTEE

Quek Leng Chan – *Chairman*
Volker Stoeckel
Roderic N. A. Sage

CHIEF FINANCIAL OFFICER

Adam R. Boswick

COMPANY SECRETARY

Stella Lo Sze Man

PLACE OF INCORPORATION

Bermuda

REGISTERED OFFICE

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

PRINCIPAL OFFICE

50th Floor, The Center
99 Queen's Road Central
Hong Kong

Telephone: (852) 2283 8833
Fax: (852) 2285 3233
Website: http://www.guoco.com

BRANCH SHARE REGISTRARS

Computershare Hong Kong Investor Services Limited
Shops 1712-16
17th Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

FINANCIAL CALENDAR

Interim results announcement	27 February 2015
Closure of Register of Members for interim dividend	17 March 2015
Payment of interim dividend of HK$1.00 per share	25 March 2015
Annual results announcement	28 August 2015
Closure of Register of Members for Annual General Meeting	20 November 2015 to 24 November 2015
Annual General Meeting	24 November 2015
Closure of Register of Members for final dividend [Note]	1 December 2015
Payment of final dividend of HK$3.00 per share [Note]	10 December 2015

Note: The declaration of the final dividend is subject to shareholders' approval in the Annual General Meeting.

CORPORATE ORGANISATION CHART
(As at 28 August 2015)

GuocoGroup Limited[1]

PRINCIPAL INVESTMENT

- 100% GuocoEquity Assets Limited

PROPERTY DEVELOPMENT & INVESTMENT

- 65.2% GuocoLand Limited[2]
  - 100% GuocoLand (Singapore) Pte. Ltd.
  - 100% GuocoLand (China) Limited
  - 65% GuocoLand (Malaysia) Berhad[3]
  - 100% GuocoLand Vietnam (S) Pte. Ltd.

HOSPITALITY & LEISURE BUSINESS

- 66.5% GuocoLeisure Limited[2]
  - 100% GLH Hotels Group Limited
  - 100% Clermont Leisure (UK) Limited
  - 100% Molokai Properties Limited
  - 100% Tabua Investments Limited
  - 55.1% Bass Strait Oil & Gas Royalty
- 52.0% The Rank Group Plc[4]

FINANCIAL SERVICES

- 25.4% Hong Leong Financial Group Berhad[3]
  - 64.4% Hong Leong Bank Berhad[3]
    - 100% Hong Leong Islamic Bank Berhad
    - 100% Hong Leong Bank Vietnam Limited
    - 100% Hong Leong Bank (Cambodia) PLC.
  - 100% HLA Holdings Sdn Bhd
    - 70% Hong Leong Assurance Berhad
    - 65% Hong Leong MSIG Takaful Berhad
    - 30% MSIG Insurance (Malaysia) Berhad
    - 100% Hong Leong Insurance (Asia) Limited
    - 100% HL Assurance Pte. Ltd.
  - 81.3% Hong Leong Capital Berhad[3]
    - 100% Hong Leong Investment Bank Berhad
    - 100% Hong Leong Asset Management Berhad
- 100% GuocoCapital Limited
- 100% GuocoCapital Futures Limited
- 100% GuocoCapital Bullion Limited

(1) Listed in Hong Kong
(2) Listed in Singapore
(3) Listed in Malaysia
(4) Listed in London

Websites:
- Guoco Group Limited (http://www.guoco.com)
- GuocoLand Limited (http://www.guocoland.com.sg)
- GuocoLand (Malaysia) Berhad (http://www.guocoland.com.my)
- GuocoLeisure Limited (http://www.guocoleisure.com)
- GLH Hotels Group Limited (http://www.glhhotels.com)
- Clermont Leisure (UK) Limited (http://www.theclermontclub.com)
- Tabua Investments Limited (http://www.denarau.com)
- The Rank Group Plc (http://www.rank.com)
- Hong Leong Financial Group Berhad (http://www.hlfg.com.my)
- Hong Leong Bank Berhad (http://www.hlb.com.my)
- Hong Leong Islamic Bank Berhad (http://www.hlisb.com.my)
- Hong Leong Bank Vietnam Limited (https://www.hlb.com.my/vn)
- Hong Leong Bank (Cambodia) PLC. (https://www.hlb.com.my/main/cambodia)
- Hong Leong Assurance Berhad (http://www.hla.com.my)
- Hong Leong MSIG Takaful Berhad (http://www.hlmsigtakaful.com.my)
- MSIG Insurance (Malaysia) Berhad (http://www.msig.com.my)
- Hong Leong Insurance (Asia) Limited (http://www.hl-insurance.com)
- HL Assurance Pte Ltd. (https://www.hlas.com.sg/)
- Hong Leong Capital Berhad (http://www.hlgcap.com.my)
- GuocoCapital Limited (http://www.guococap.com)
- GuocoCapital Futures Limited (http://www.guococap.com)
- GuocoCapital Bullion Limited (http://www.guococapbullion.com)

CORPORATE PROFILE

Guoco Group Limited ("Guoco") (Stock Code: 53), listed on The Stock Exchange of Hong Kong Limited, is an investment holding and investment management company with the vision of achieving long term sustainable returns for its shareholders and creating prime capital value.

Guoco's operating subsidiary companies and investment activities are principally located in Hong Kong, China, Singapore, Malaysia, Vietnam and the United Kingdom. Guoco has four core businesses, namely, Principal Investment; Property Development and Investment; Hospitality and Leisure Business; and Financial Services.

PRINCIPAL INVESTMENT

Our Principal Investment business has been built up into a core business of the Group with a team of well-trained and experienced investment professionals covering equity and direct investments as well as treasury operations. Committed to its mission to create attractive risk weighted returns and capital value to the Group, the team is supported by up-to-date information systems and technological infrastructure as well as solid risk management processes and control mechanism. Ongoing resources are allocated to enhance our investment infrastructure to cater for the business needs.

Our investment team focuses on long-term cycle trends and related investment opportunities and actively looks for under-valued counters that offer attractive recovery potential.

Our treasury team focuses on global economic conditions, forex and interest rate trends, strategic trading ideas. It also controls major financial exposures of the Group and hedging proposals to manage the Group's liquid assets.

Guoco's Board Investment Committee, chaired by Mr Quek Leng Chan (Guoco's Chairman), has the overall responsibility to oversee the principal investment activities of the Group and guide the process governing the Group's core investment and treasury operations.

PROPERTY DEVELOPMENT AND INVESTMENT

GuocoLand Limited ("GuocoLand"), a public company listed on the mainboard of Singapore Exchange since 1978, is an award winning developer whose developments are distinguished by quality, innovative designs and concepts. Headquartered in Singapore, GuocoLand has substantial land bank in the embedded markets of Singapore, China, Malaysia and Vietnam. GuocoLand is focused on achieving scalability, sustainability and growth in its core markets through its property development, investment and management business.

In Singapore, GuocoLand has successfully developed and sold 33 residential projects yielding more than 9,000 apartments and homes over the last 25 years. Widely-recognised for its eco-friendly award-winning developments, GuocoLand has received the Building and Construction Authority ("BCA") Green Mark Awards for projects such as Clermont Residence at Tanjong Pagar Centre, Goodwood Residence, Sophia Residence, Leedon Residence, The Waterline, Elliot at the East Coast and The Quartz. Guoco Tower, the office component of Tanjong Pagar Centre, has been awarded the LEED (Leadership in Energy and Environmental Design) Platinum Precertification and, together with the hotel and retail components, has also been conferred the Singapore BCA Green Mark (Platinum) Award.

GuocoLand has been active in China since 1994 and is an established property developer in China having developed a sizeable portfolio of properties in the major cities of Beijing, Shanghai, Nanjing and Tianjin. Its portfolio ranges from single component developments to signature large scale integrated developments which span residential, commercial, retail and hospitality in prime locations close to, or even housing transportation hubs. In 2014, GuocoLand was awarded by the Shanghai Putuo District People's Government for its contribution to the regional district of Shanghai Putuo.

In Malaysia, GuocoLand has an established presence, engaging in property development and investment as well as hotel and resort holdings activities through its 65% subsidiary, GuocoLand (Malaysia) Berhad ("GLM"). GLM is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Its portfolio includes master planned townships, a luxury integrated development, residential and commercial properties in Selangor and Kuala Lumpur. GLM is also active in property investment through its 21.7% interest in Tower REIT which is listed on Bursa Securities. Tower REIT has Menara HLA and HP Towers in its portfolio of office buildings and is managed by GLM REIT Management Sdn Bhd, a wholly-owned subsidiary of GLM.

In Vietnam, GuocoLand is developing The Canary, an integrated development in Binh Duong Province through its subsidiary, GuocoLand Vietnam (S) Pte Ltd.

HOSPITALITY AND LEISURE BUSINESS

GuocoLeisure Limited (“GuocoLeisure”), the Group’s Hospitality subsidiary, is a public company listed on the Main Board of Singapore Exchange. GuocoLeisure’s core hospitality business is operated out of GLH Hotels Limited (“glh”) in the United Kingdom.

glh owns and/or operates hotels. Recently this business division took on a revitalised identity focused on unlocking human potential and giving property owners and developers a new deal. glh has announced the creation of four new hotel brands: Clermont, a global luxury hotel and private residences brand; Amba, a global 4-star hotel brand; every, an innovative 4-star limited-feature hotel brand; and Thistle Express, a limited feature offer in the budget sector. In addition, glh has partnered BT to provide fast, free and unlimited Wi-Fi in all its UK hotels.

In addition to its core hospitality business, GuocoLeisure owns a casino, the prestigious Clermont Club in Mayfair, London and holds rights to royalties from the production of oil and natural gas in the Bass Strait in Australia.

The Rank Group Plc (“Rank”) is a leading European gaming company, headquartered in Great Britain and listed on the London Stock Exchange.

Rank’s businesses comprise three established gaming-based entertainment operations in Great Britain, Spain and Belgium. They are: “Mecca” – a leading bingo operator in Great Britain with 90 clubs and a digital business offering both online and mobile bingo; “Grosvenor Casinos” – the leading casino operator with 58 casinos in Great Britain along with two other casinos in Belgium and an online and mobile casino business; and “Enracha” – an operator of 9 premium bingo clubs in Spain.

FINANCIAL SERVICES

Hong Leong Financial Group Berhad (“HLFG”), an associated company of the Group, is an integrated financial services group, listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) in Malaysia. HLFG’s commercial banking subsidiary is Hong Leong Bank Berhad (“HLB”) which is also listed on the Main Market of Bursa Securities. HLB currently has over 270 branches in Malaysia with overseas branches in Singapore and Hong Kong, and wholly owned subsidiaries in Vietnam and Cambodia, providing comprehensive services in personal financial services, treasury, corporate and commercial banking. HLB also has a presence in China via an interest of 19.99% in Bank of Chengdu Co., Limited (“BOCD”) and 49% in Sichuan Jincheng Consumer Finance Limited Liability Company, a joint venture company between BOCD and HLB.

HLB’s Islamic banking subsidiary, namely Hong Leong Islamic Bank Berhad (“HLISB”), offers its customers a wide range of innovative solutions which amongst others include structured finance, business and corporate banking, personal financial services, Islamic global markets and wealth management. In addition to these, HLISB also pursues the development of its own business niche in fee-based income and Islamic Capital Markets.

HLFG Group’s insurance interests are made up of a 70% interest in Hong Leong Assurance Berhad which provides life insurance services in Malaysia, a 30% interest in MSIG Insurance (Malaysia) Berhad which provides general insurance services in Malaysia, a 100% interest in Hong Leong Insurance (Asia) Limited which provides general insurance business in Hong Kong, a 65% interest in Hong Leong MSIG Takaful Berhad focusing on Takaful insurance and a 100% interest in HL Assurance Pte. Ltd. which provides general insurance business in Singapore.

HLFG’s other financial services interests are held through Hong Leong Capital Berhad (“HLCB”) which is listed on the Main Market of Bursa Securities. HLCB has two main subsidiaries namely, Hong Leong Investment Bank Berhad (“HLIB”) and Hong Leong Asset Management Bhd (“HLAM”). HLIB is involved in investment banking, stockbroking business, futures broking and related financial services, while HLAM’s main businesses are unit trust management, fund management and sale of unit trusts.

As at 30 June 2015, the HLFG Group employs over 11,000 employees to deliver quality and competitive financial products and services to customers in Malaysia, Singapore, Hong Kong, Vietnam, Cambodia and China.

The Group also operates stock and futures broking, corporate advisory and bullion business in Hong Kong through its wholly owned subsidiaries, GuocoCapital Limited, GuocoCapital Futures Limited and GuocoCapital Bullion Limited.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

QUEK LENG CHAN

Quek Leng Chan, aged 72, was appointed to the Board of Directors of Guoco Group Limited ("Guoco") since 1990. He was the Executive Chairman of Guoco up to November 2013 and thereafter, redesignated as the Chairman. He is also the Chairman of the Board Nomination Committee ("BNC") and a member of the Board Remuneration Committee ("BRC") of Guoco. He is the Chairman & CEO and a shareholder of Hong Leong Company (Malaysia) Berhad ("HLCM"), the ultimate holding company of Guoco. Mr Quek is the Chairman of HL Holdings Sdn Bhd (a deemed substantial shareholder of Guoco), which is wholly owned by him. He is a director and shareholder of Davos Investment Holdings Private Limited and a director of Hong Leong Investment Holdings Pte Ltd, both of which are deemed substantial shareholders of Guoco. He holds directorships in Guoco's key listed subsidiaries and associated companies, including as the Chairman of GuocoLeisure Limited ("GuocoLeisure"), GuocoLand (Malaysia) Berhad, Hong Leong Financial Group Berhad, Hong Leong Bank Berhad ("HLB") and Hong Leong Capital Berhad; and as a director of GuocoLand Limited ("GuocoLand"). He qualified as a Barrister-at-Law from Middle Temple, United Kingdom and has extensive business experience in various business sectors, including financial services, manufacturing and real estate. He is a brother of Messrs Kwek Leng Hai and Kwek Leng San.

KWEK LENG HAI

Kwek Leng Hai, aged 62, is the President, CEO of Guoco and has been an Executive Director of Guoco since 1990. He holds directorships in the Guoco's key subsidiaries and associated companies including GuocoLand, GuocoLeisure, HLB and Bank of Chengdu Co., Ltd. He also serves as the Chairman of Lam Soon (Hong Kong) Limited ("LSHK"), a Hong Kong listed subsidiary of HLCM. He is also a director and shareholder of HLCM. Mr Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales. He is a brother of Messrs Quek Leng Chan and Kwek Leng San.

KWEK LENG SAN

Kwek Leng San, aged 60, a Non-executive Director of Guoco since 1990. He is the Chairman of Malaysian Pacific Industries Berhad, Hong Leong Industries Berhad, Hume Industries Berhad (formerly known as Narra Industries Berhad) and Southern Steel Berhad, all Malaysian listed subsidiaries of HLCM. He is a director and shareholder of HLCM. He graduated from University of London with a Bachelor of Science (Engineering) degree and also holds a Master of Science (Finance) degree from City University London. He has extensive business experience in various business sectors, including financial services and manufacturing. He is a brother of Messrs Quek Leng Chan and Kwek Leng Hai.

TAN LIM HENG

Tan Lim Heng, aged 67, joined GuocoCapital Limited ("GuocoCapital") and GuocoCapital Futures Limited ("GCF"), wholly owned subsidiaries of Guoco, as the Managing Director in 1990, and has been an Executive Director of Guoco since 1996. He retired from the Managing Director position of GuocoCapital and GCF with effect from 1 March 2015 and remained as a member of the respective board and as a Non-Executive Director of Guoco. He also serves as a non-executive director of LSHK. Mr Tan holds a Bachelor of Science first class honours degree in engineering from University of Surrey and a Master of Science degree in management from Massachusetts Institute of Technology. He had also previously worked in Geneva in 1974 with the United Nations Conference on Trade and Development. Prior to joining Guoco, he had served in the Singapore Civil Service as a Colombo Plan Scholar 1975-1978 before coming to work in Hong Kong with a financial services company and a major U.S. bank. Mr Tan has extensive experience in property investment, financial and investment management services.

VOLKER STOECKEL

Volker Stoeckel, aged 70, has been an Independent Non-executive Director of Guoco since 2004 and is the Chairman of the BRC and a member of both the Board Audit Committee ("BAC") and the BNC of Guoco. He was the Chairman and CEO of Metal Cast Zhong Shan Limited during the period from 2007 to 2009. He was also the Chairman and CEO of the German Centre for Industry and Trade in Shanghai until 2006. Before that he held various senior banking positions in Asia for over 26 years. Until 2004 he was the Senior Executive Vice President and Chief Executive of Asia Pacific of Bayerische Landesbank, Regional Head Office, in Hong Kong. Mr Stoeckel has wide ranging experience in capital markets, corporate finance, project finance, treasury and securities business, and property development of commercial and industrial projects in China. He is also a consultant for major companies in Asia for projects in Europe. He graduated from the University of Munich in economics and holds a diploma in banking.

RODERIC N. A. SAGE

Roderic N. A. Sage, aged 62, was appointed as an Independent Non-executive Director of Guoco since October 2009 and is the Chairman of the BAC and a member of both the BRC and the BNC of Guoco. He is the Chief Executive Officer of a specialist tax, corporate services and trust consultancy firm in Hong Kong. Prior to that, Mr Sage had worked with KPMG Hong Kong for over 20 years until 2003, as a senior partner and member of the management board. He has been granted fellow status with the Institute of Chartered Accountants in England and Wales and with the Hong Kong Institute of Certified Public Accountants. He is also an associate member of the Institute of Taxation in England. He has over 30 years' experience in accounting, international tax planning and investment structuring enhanced by considerable knowledge of cross-boarder and onshore and offshore transactions and structures.

Mr Sage was a Convenor of the Financial Reporting Review Panel of the Financial Review Council during the period from July 2007 to July 2010. He is also an independent non-executive director of Tai Ping Carpets International Limited listed in Hong Kong and the Alpha Tiger Fund listed on London's Alternative Investment Market.

DAVID MICHAEL NORMAN

David Michael Norman, aged 59, was appointed as an Independent Non-executive Director and a member of the BAC of Guoco in July 2013. Mr Norman studied philosophy and psychology at Oxford University in the United Kingdom and was admitted as a solicitor in the United Kingdom in 1981 and in Hong Kong in 1984. He was a partner of an international law firm until he resigned in 2010. Mr Norman is also a non-executive director of South China Holdings Company Limited (formerly known as "South China (China) Limited"), listed in Hong Kong. Mr Norman has extensive experience in mergers and acquisitions and corporate finance.

FINANCIAL HIGHLIGHTS

Financial highlights of Guoco Group for the year ended 30 June 2015:

	Year ended 30 June 2015 HK$'M	Year ended 30 June 2014 HK$'M	Increase/ (Decrease)
Turnover	**33,771**	36,002	(6%)
Revenue	**21,748**	21,323	2%
Profit from operations	**5,436**	5,414	0%
Profit attributable to equity shareholders of the Company	**4,625**	5,752	(20%)
	HK$	HK$	
Earnings per share	**14.23**	17.70	(20%)
Dividend per share:			
Interim	**1.00**	1.00	
Proposed final	**3.00**	3.00	
Total	**4.00**	4.00	–
Equity per share attributable to equity shareholders of the Company	**177.60**	170.93	4%

TEN YEAR SUMMARY

US$'000 Years	Total assets	Total liabilities	Total equity attributable to equity shareholders of the Company	Profit/(loss) for the year attributable to equity shareholders of the Company	Dividend per ordinary share US$
2006	7,470,726	1,750,335	4,754,347	725,876	0.64[1]
2007	8,863,439	2,677,829	5,186,062	546,371	0.55
2008	10,261,067	3,766,946	5,280,935	188,191	0.51
2009	9,530,768	3,367,014	5,121,487	61,364	0.26
2010	9,743,006	3,215,707	5,569,187	363,626	0.36
2011	15,014,970	7,275,121	6,297,179	534,459	0.41
2012	13,838,778	6,777,309	5,698,683	(166,810)	0.28
2013	15,992,118	7,936,590	6,517,923	811,725	0.84[2]
2014	16,610,521	7,442,421	7,256,604	742,151	0.52
2015	**16,511,383**	**7,053,466**	**7,538,536**	**596,590**	**0.52**

HK$'000 Years	Total assets	Total liabilities	Total equity attributable to equity shareholders of the Company	Profit/(loss) for the year attributable to equity shareholders of the Company	Dividend per ordinary share HK$
2006	58,011,681	13,591,701	36,918,455	5,636,572	5.00[1]
2007	69,283,288	20,931,920	40,538,151	4,270,845	4.30
2008	80,025,549	29,378,224	41,185,748	1,467,690	4.00
2009	73,864,407	26,094,697	39,692,037	475,577	2.00
2010	75,843,455	25,032,349	43,352,779	2,830,611	2.80
2011	116,853,254	56,618,266	49,007,481	4,159,400	3.20
2012	107,331,487	52,563,792	44,198,131	(1,293,754)	2.20
2013	124,047,661	61,562,542	50,558,225	6,296,389	6.51[2]
2014	128,743,997	57,684,345	56,244,124	5,752,227	4.00
2015	**127,997,067**	**54,678,822**	**58,439,108**	**4,624,794**	**4.00**

Notes:

1. Including special dividend of HK$1.00 per ordinary share.
2. Including special interim dividend in specie declared on 3 July 2013 (approximately HK$5.01 per ordinary share).

CHAIRMAN'S STATEMENT

"Each of our core businesses will continue to focus on implementing their strategies to strengthen their platforms and to enhance their competitiveness to achieve sustainable growth for all shareholders."

I am pleased to present our Annual Report for the financial year ended 30 June 2015.

OVERVIEW

The twelve months to June 2015 was an eventful period for financial markets. Notable developments included a sharp correction in energy prices, an official end of quantitative easing in the US followed by the start of a similar programme by the ECB, and finally an abrupt reversal to an explosive Chinese A-share rally near the end of our financial year. Notwithstanding occasional volatility, most equity markets managed to produce another year of positive gains. This favourable background environment benefited the Group's investment activities. Other core businesses of the Group though, confronted with headwinds and challenges in their respective operating markets, had turned in commendable results for the year.

FINANCIAL RESULTS

The Group's consolidated profit attributable to equity shareholders for the financial year 2014/15, after taxation and non-controlling interests, amounted to HK$4.6 billion, as compared to HK$5.8 billion for the previous year. Profit from operations slightly increased year-on-year. This was achieved with substantial contributions from Principal Investment together with higher operating profit contributions this year from Property Development and Investment as well as Hospitality and Leisure Business.

In addition to the interim dividend of HK$1.00 per share already paid, the directors will be recommending a final dividend of HK$3.00 per share (2014: HK$3.00 per share) at the forthcoming Annual General Meeting. This gives a total dividend of HK$4.00 per share, same as last year, maintaining our healthy trend of dividend payout to shareholders.

CORE BUSINESSES

Principal Investment

Supportive central bank and government policies remained an important driver behind the continuing stock market recovery since the 2008 financial crisis. In spite of an end to QE by the FED, the European Central Bank and Chinese authorities engineered major stimulus programmes during the year while Abenomics remained ongoing in Japan. These policies and the resulting uptrend in global stocks boosted our investment returns. We capitalised on the strength in share prices and realised profits in some of our positions.

We will remain prudent in managing our portfolio and continue to focus on long-term cycle trends and laggard opportunities. Shareholders are cautioned that our results are very much subject to fair value movements and thus will continue to be volatile.

Property Development and Investment

GuocoLand Limited

For the second consecutive year, GuocoLand managed to record revenue in excess of S$1 billion from sales of existing projects and new launches. This is a satisfactory outcome when viewed in the context of the slowing economies and regulatory measures introduced to cool down the property markets in which GuocoLand operates. As a result, net debts only showed a marginal increase despite the start of construction of a few new projects.

GuocoLand's past dependence on development income had created volatility in reported results. With the impending completion of existing rather sizable composite projects, Damansara City, Kuala Lumpur and Tanjong Pagar, Singapore in the first and second half of 2016 respectively and together with Singapore's 20 Collyer Quay (the former Tung Centre), the resulting recurring income base shall better complement GuocoLand's development income.

Beijing Dongzhimen project was the single largest integrated project within GuocoLand's portfolio. The Hainan Court's favourable judgment last September encouraged us to carry on with the project. A number of parties since then approached us to initiate discussions to take over the project. Amongst them, we were able to strike a deal with China Cinda post our financial year end. This transaction effectively halves GuocoLand's gearing ratio to 0.73 times.

A comprehensive review of GuocoLand's bench strength was carried out to ensure there is competency and efficiency to cater for expanding its business scope.

Hospitality and Leisure Business

GuocoLeisure Limited

The transformation of GuocoLeisure's hospitality business is on track, with glh Hotels achieving key milestones and receiving industry recognition for its innovations. As the GuocoLeisure Group continues to grow, we propose to change the name of GuocoLeisure Limited to GL Limited, signaling the alignment with the transformational change being delivered in the core business of glh Hotels.

glh Hotels presently operates 17 hotels in the UK under the Guoman Hotels, Amba Hotels, every Hotels, and Thistle brands. glh Hotels also announced **Thistle Express**, a new value hotel concept which will leverage the strong brand equity and awareness of the core Thistle brand. glh refurbished 2 London hotels to bring them up to the standards of their respective new brands, Amba Hotels and every Hotels. **Amba** Hotel Charing Cross opened in December 2014, and **every** Hotel Piccadilly opened in February 2015. Both hotels have been well received, with Amba Hotel Charing Cross now ranked in TripAdvisor's top 5 London hotels.

With its technological innovations, glh Hotels' new virtual call centre solution won the "Best SME Contact Centre Solution" at the 2014 UK's Communications National Awards. This together with glh Hotel's new Value Centre General Management model will continue to drive improved efficiencies and higher guest satisfaction at each of the hotels.

The Rank Group Plc

Rank has delivered a strong operating performance with every brand improving its profitability on a like-for-like basis for the year. This was achieved through significant progress made in realising its strategic objectives to create long-term sustainable growth for Rank and its shareholders. The five pillars strategy comprises the creation of a compelling multi-channel offer, building a strong digital capability, investing in its brands and marketing, continuing to develop its venues and harnessing technology to improve the customer experience and drive operating efficiency.

From 30 June 2014, bingo duty was reduced from 20% to 10% and resulted in a GBP11.3 million tax reduction in the year. This duty cut funded a reduction in prices to its customers, the recommencement of a venue refurbishment programme and an increase in Mecca's capital investments. On the other hand, the remote gaming duty introduced from 1 December 2014 at 15% on all online gambling revenue generated by customers in the UK had translated to a cost of GBP6.6 million in the year for Rank.

With continued effort in executing the set strategic objectives and given its strong financial position and market leading brands, Rank is poised to attain its long-term growth and to create value for its shareholders.

Financial Services

Hong Leong Financial Group Berhad ("HLFG")

The financial year was a challenging one for HLFG which confronted an environment of decelerating economic growth, a competitive industry landscape as well as volatile currency markets. However, it managed to maintain its pretax earnings. Its banking division, Hong Leong Bank Berhad ("HLB"), registered a modest growth for the year, thanks to a higher write back of allowance for impairment losses on loans, advances and financing, the increase in net interest income and higher share of earnings from Bank of Chengdu Co., Ltd and Sichuan Jincheng Consumer Finance joint venture. The insurance operations were affected by lower interest rates which resulted in higher actuarial provisions. Amid an environment of subdued capital markets activity, the investment banking operations recorded a slight contraction in earnings due to lower contribution from its asset management operations.

As part of HLB's capital management strategy to further strengthen its capital position to support continuous business growth and facilitate the build-up of an adequate level of buffer in preparation for the forthcoming regulatory capital requirements, HLB has announced in August 2015 a renounceable proposed rights issue to raise gross proceeds of up to RM3.0 billion. HLFG in turn also announced a renounceable rights issue of up to RM1.1 billion in tandem to fund part of HLFG's entitlement to HLB's proposed rights issue.

The new financial year of HLFG is expected to be equally if not more challenging, given a multitude of headwinds, not limited to subdued economic activities, increased competition and regulations in the financial sector, volatile exchange rates and depressed commodity prices. While HLFG is confident to work through these challenges, it will use this period to fine tune its business strategies to lay the foundation for the next phase of growth.

OUTLOOK

We had witnessed how the Greek debt crisis and the abrupt reversal in the Chinese A-shares caused great uncertainty and volatility that shook confidence in every market. This type of events served as timely reminders on us to exercise caution in managing our investments. While global authorities will remain investor friendly in their policy settings, markets have to face challenges including valuations that are no longer cheap, a recovering but still sluggish global growth outlook and the possibility of US interest rate hikes in coming months.

In the midst of these uncertain and soft market conditions, each of our core businesses will continue to focus on implementing their strategies to strengthen their platforms and to enhance their competitiveness to achieve sustainable growth for all shareholders.

GROUP HUMAN RESOURCES

People talent is instrumental to our achievements and continued success. To face the talent war in recruiting and retaining good competent managers in the various business sectors in which the Group operates, we have established employee-centric initiatives to ensure our competitiveness in the field. Ongoing talent development is directed at ensuring our internal bench strength remains resilient. As our Group does well and grows, the benefits and rewards will accrue to those who contribute to making it happen.

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to meeting the highest standards of corporate citizenship and will strive to have a positive impact on the lives of the people in the communities where we conduct our businesses. Our commitment to do the right things in the focus areas in respect of workplace, environment, marketplace and community is discussed in detail in the Corporate Social Responsibility Report in this Annual Report.

Our Company has, for the tenth year, been awarded the Platinum Award and the prestigious President's Award for our donations and staff participation in the activities of The Community Chest of Hong Kong. This year the Company was also recognised as a Top Ten Donor. In the Community Chest Walk for Millions, Guoco Group was the second top donor with our director, Mr Tan Lim Heng, being Top Individual Fund Raiser for this annual event for the eighth year in a row.

APPRECIATION

I would like to thank my fellow directors for their wise counsel during the year. To our management and staff, I express my appreciation for their dedication and commitment to working as a team and building sustainable businesses in their respective areas. I am grateful to our shareholders, bankers, customers and business associates for their support and confidence in the Group.

Quek Leng Chan
Chairman
28 August 2015

REVIEW OF OPERATIONS

PRINCIPAL INVESTMENT

PRINCIPAL INVESTMENT

Our investment focus has remained on identifying important market and sector cycles as well as laggards with good recovery potential. In view of demanding valuations in most western markets, we continued to focus more on Asia and especially the Chinese market. Following a powerful A-share rally and concerns over rising speculation in the domestic market, we substantially reduced our exposure to Chinese stocks just ahead of a major sell-off. At the same time, we also realised profits in some other markets, posting another year of solid double-digit total portfolio returns. Equity prices are expected to stay volatile but this may also create long-term investment opportunities. We will stay alert to market developments and look to capitalise on potential situations.

Through diligent monitoring and strong risk management, our Group Treasury helped navigate the Group through the challenging global foreign exchange and interest rate market conditions during the year to mitigate the financial exposure and optimise returns.

PROPERTY DEVELOPMENT AND INVESTMENT

Artist's impression – Damansara City, an integrated development in Malaysia

PROPERTY DEVELOPMENT AND INVESTMENT

GuocoLand Limited ("GuocoLand")

GuocoLand ended the financial year 2014/15 with a profit attributable to equity holders of S$226.4 million on the back of revenue of S$1,159.9 million.

Whilst revenue in the current financial year had decreased 7% mainly due to lower revenue recognised for projects in Malaysia, gross margin had improved from 25% in the previous year to 34% in the current financial year due to the change in sales mix. This has led to gross profit rising by 27% as compared to the previous financial year.

Other income reduced by 59% to S$102.4 million in the current financial year. This was due to a one-off gain from disposal of subsidiaries in the previous financial year and a lower fair value gain for investment properties in the current year. Administrative expenses increased by 37% to S$107.3 million in the current financial year mainly due to one-off professional fees for GuocoLand's operations in China. Finance costs reduced by 25% mainly due to higher capitalisation of interest expenses during the financial year.

Share of profit of associates and joint ventures decreased by S$18.5 million to S$0.8 million in the current financial year as a result of lower profit recognition on completed joint venture developments in Malaysia.

Equity attributable to ordinary equity holders of GuocoLand was S$2.94 billion as at 30 June 2015, an increase of 12% from 30 June 2014. Gearing for GuocoLand has also improved as at 30 June 2015. These were mainly the result of the profit recorded during the financial year as well as foreign currency translation gains arising from a stronger Chinese Renminbi as compared to 30 June 2014.

Artist's impression – Pool View of DC Residency of Damansara City

Artist's impression – City Room of Tanjong Pagar Centre, Singapore

Artist's impression – Sims Urban Oasis, a residential development in Singapore

Singapore

Singapore continues to be the main contributor of GuocoLand's revenue and profit for the year ended 30 June 2015. In the current financial year, Singapore contributed revenue of S$714.7 million, similar to the previous financial year. Singapore's segment profit before tax reduced by 3% to S$225.0 million mainly due to lower fair value gain from its investment properties in the current financial year.

In Singapore, the broad property market remains subdued. According to data released by the Urban Redevelopment Authority, the overall private residential property price index fell by 0.9% in the second quarter of 2015. This was the seventh consecutive month of decline and at a rate about the same as compared to the previous quarter. However, Singapore appears to remain a viable market to foreigners with an increase in the number of foreigners buying properties (1,017 purchases) in the second quarter as compared to (636 purchases) in the first quarter of 2015.

Artist's impression – Guoson Centre, Changfeng, Shanghai

China

Revenue from China for the current financial year was S$401.0 million, close to the S$411.5 million achieved for the previous financial year. China's segment profit before tax had decreased by S$64.6 million to S$100.5 million in the current financial year mainly due to a one-off gain from disposal of subsidiaries in the previous financial year.

In China, new home prices rose for a third consecutive month in July 2015. Home prices strengthened in 31 out of 70 major cities, with first-tier cities like Beijing and Shanghai leading the recovery.


Artist's impression – Changfeng Residence, a residential development in Shanghai

Malaysia

Whilst revenue from Malaysia decreased by 67% to S$39.8 million, Malaysia's segment profit before tax improved by 6% to S$77.1 million. This was because the drop in profit from sales of development projects was offset by a higher fair value gain from its investment properties in the current financial year.

In Malaysia, the property market has softened as political and economic uncertainty weigh down on the sector.

Operating conditions are challenging within GuocoLand's embedded markets, especially Singapore and China. GuocoLand will continue its focus on sales and leasing of its current projects while remaining watchful for investment opportunities.

HOSPITALITY AND LEISURE BUSINESS

Amba Hotel Charing Cross, London

HOSPITALITY AND LEISURE BUSINESS

GuocoLeisure Limited ("GuocoLeisure")

GuocoLeisure recorded a profit after tax for the year ended 30 June 2015 at US$47.5 million, an increase of 23% as compared to US$38.6 million in the previous year.

Revenue stood at US$423.2 million, which was 8% below that of the previous financial year. This was mainly due to lower revenues generated from the gaming segment as a result of lower drop and win margin during the year. Hotel revenue was stable as compared to the previous corresponding period. However, the depreciation of GBP/USD contributed further to the decline of revenue in USD terms during the financial year. Revenue from the Bass Strait oil and gas royalty in Australia also decreased by 24% to US$31.7 million, principally due to lower average crude oil and gas prices and lower oil and gas production, as well as the depreciation of AUD/USD as compared to the previous financial year.

Cost of sales decreased by 8% as compared to the previous financial year. This was resulted mainly from the weakening of GBP/USD and lower gaming duty in tandem with the decrease in revenue from the gaming segment during the financial year.

Administrative expenses also decreased by 9% for the year ended 30 June 2015. This was mainly due to the implementation of the new Value Centre General Management model at the hotel segment which resulted in significant cost savings at its central support office.

Lower financing costs for the financial year were primarily due to the savings from the interest costs relating to the refinancing of mortgage debentures in December 2014 at the hotel segment.

GuocoLeisure's net assets before non-controlling interests as at 30 June 2015 decreased by 5% to US$1,152.1 million from US$1,217.3 million as at 30 June 2014 principally attributed to the net foreign exchange translation loss referred to above.

The first hotels under two of GuocoLeisure's new brands were launched during the current financial year – the Amba Hotel Charing Cross in December 2014 and every Hotel Piccadilly in February 2015.

Gardens at the Royal Horseguards, London

glh. CLERMONT HOTELS | AMBA HOTELS | thistle | every HOTELS

Hotel brands under glh

The Rank Group presents

MECCA

GROSVENOR CASINOS

enracha

The Rank Group Plc ("Rank")

Rank registered an increase of 8% in its profit after taxation (before exceptional items and discontinued operations) for the year ended 30 June 2015 to GBP56.9 million.

Revenue from continuing operations grew by 3% to GBP700.7 million, with a strong 18% growth in digital revenue being offset by lower revenue from Mecca Bingo venues (following the closure of a number of underperforming venues) and adverse exchange rates impacting euro denominated income in Spain and Belgium.

Rank's digital channel offers a selection of games including live casino, bingo and a wide range of slot games.

Operating profit before exceptional items of GBP84.0 million was up by 16% compared to the previous year, with all three brands recording growing profits. The Grosvenor Casinos brand increased operating profit by 17% to GBP66.5 million, with its digital channel delivering its first ever profit despite the introduction of a new 15% remote gaming duty (on a point of consumption basis) levied on all UK digital income from 1 December 2014. Mecca's profits were 16% higher at GBP43.0 million, although venues revenue was marginally down versus the previous year. The strong profit improvement was driven by a reduction in the rate of gaming duty on bingo from 20% to 10%, tight cost control in venues and closure of a number of underperforming clubs.

Grosvenor Casinos had launched a tri-channel game across retail, mobile and desktop supported by a cross-channel promotion.

Exceptional items and discontinued operations credit totalling GBP17.9 million comprised a GBP2.1 million credit following the closure or disposal of a number of bingo clubs, restructuring and legal costs and a GBP15.8 million release from tax provisions on discontinued businesses. The tax provision release predominantly relates to the successful conclusion of a long running transfer pricing dispute.

Rank's casinos and bingo venues deliver the ultimate casino and gaming experience to customers.

REVIEW OF OPERATIONS

FINANCIAL SERVICES

FINANCIAL SERVICES

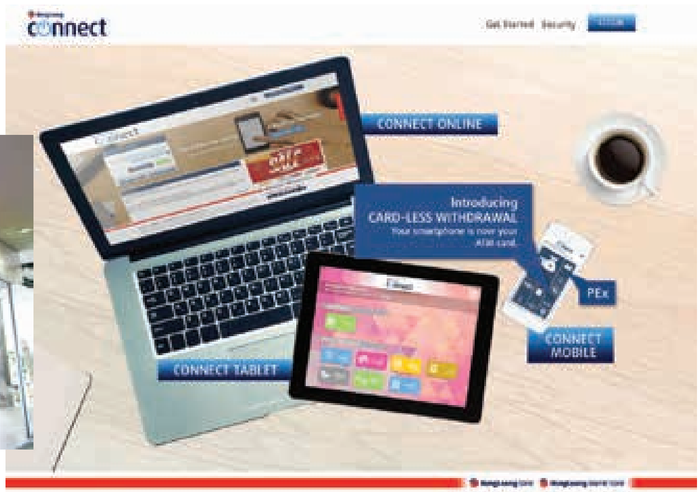
Hong Leong Financial Group Berhad ("HLFG")

HLFG achieved a profit before tax of RM3,023.3 million for the year ended 30 June 2015 as compared to RM3,009.2 million in the previous corresponding year, an increase of RM14.1 million or 1%. The overall increase in profit before tax was mainly due to higher contribution from the banking division.

The commercial banking division recorded a profit before tax of RM2,746.2 million for the year, an increase of RM133.0 million or 5% versus last year. This was mainly due to higher write back of allowance for impairment losses on loans, advances and financing of RM104.0 million and increase in the share of profit of RM39.1 million from Bank of Chengdu Co., Ltd. and the Sichuan Jincheng Consumer Finance joint venture. Collectively, the contributions from Bank of Chengdu Co., Ltd. and the Sichuan Jincheng Consumer Finance joint venture of RM417.7 million have now risen to represent 15.2% of the division's profit before tax results from 14.5% last year.

The insurance division registered a profit before tax of RM287.6 million for the year ended 30 June 2015 as compared to RM350.4 million last year, a decrease of RM62.8 million or 18%. The decrease in profit was mainly due to lower net income of RM25.3 million, higher operating expenses of RM17.7 million and higher allowance for impairment losses of RM20.7 million.

The investment banking division recorded a profit before tax of RM78.5 million for the year ended 30 June 2015 which is flat against RM78.9 million of last year. This is mainly due to lower contribution from the asset management division.



GROUP FINANCIAL COMMENTARY

Financial Results

The audited consolidated profit attributable to equity shareholders for the year ended 30 June 2015, after taxation and non-controlling interests, amounted to HK$4,625 million, as compared to HK$5,752 million for the previous year. Profit from operations slightly increased year-on-year. Basic earnings per share amounted to HK$14.23.

For the year ended 30 June 2015, profits before taxation were generated from the following sources:

- principal investment of HK$2,468 million;
- property development and investment of HK$2,747 million, including release of operating profits which have been deferred in previous years of HK$507 million;
- hospitality and leisure business of HK$1,479 million;
- financial services of HK$937 million; and
- oil and gas royalty of HK$214 million.

Revenue increased by 2% to HK$21.7 billion. The increase was mainly attributable to the increase in revenue derived from the property development and investment sector of HK$897 million which was partially offset by the decline in revenue from the hospitality and leisure sector of HK$301 million and the principal investment sector of HK$177 million.

Capital Management

– The Group's consolidated total equity attributable to equity shareholders of the Company as at 30 June 2015 amounted to HK$58.4 billion, an increase of 4% or HK$2.2 billion compared to the previous year.

– The equity-debt ratio as at 30 June 2015 is as follows:

	HK$'M
Total borrowings	44,111
Less: Cash and short term funds	(20,477)
Trading financial assets	(7,549)
Net debt	16,085
Total equity attributable to equity shareholders of the Company	58,439
Equity-debt ratio	78 : 22

– The Group's total cash balance and trading financial assets were mainly in USD (34%), MYR (23%), GBP (17%), RMB (7%) and HKD (6%).

Total Borrowings

The decrease in total borrowings from HK$48.6 billion as at 30 June 2014 to HK$44.1 billion as at 30 June 2015 was primarily due to the repayment of loans. The Group's total borrowings are mainly denominated in SGD (57%), USD (15%), GBP (9%), MYR (6%) and HKD (5%).

The Group's bank loans and other borrowings are repayable as follows:

	Bank loans HK$'M	Mortgage debenture stock HK$'M	Other borrowings HK$'M	Total HK$'M
Within 1 year or on demand	10,126	–	1,952	12,078
After 1 year but within 2 years	12,518	–	1,652	14,170
After 2 years but within 5 years	8,948	–	7,729	16,677
After 5 years	421	710	55	1,186
	21,887	710	9,436	32,033
	32,013	710	11,388	44,111

Bank loans, mortgage debenture stock and other borrowings are secured by certain properties, fixed assets and trading financial assets with an aggregate book value of HK$31.1 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 30 June 2015 amounted to approximately HK$9.5 billion.

Interest Rate Exposure

The Group's interest rate risk arises from treasury activities and borrowings. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. The Group uses interest rate swaps to manage its interest rate exposure as appropriate.

As at 30 June 2015, approximately 70% of the Group's borrowings were at floating rates and the remaining 30% were at fixed rates. The Group had interest rate swaps with outstanding notional amount of HK$4.3 billion.

Foreign Currency Exposure

The Group from time to time enters into foreign exchange contracts, which are primarily over-the-counter derivatives, principally for hedging foreign currency exposures and investments.

As at 30 June 2015, there were outstanding foreign exchange contracts with a total notional amount of HK$21.8 billion for hedging of foreign currency equity and bond investments.

Equity Price Exposure

The Group maintains an investment portfolio which comprises majority listed equities. Equity investments are subject to asset allocation limits.

Contingent Liabilities

Details are encapsulated in note 39 “Contingent Liabilities” to the Financial Statements in this annual report.

Subsequent Events

Details are encapsulated in note 41 “Subsequent Events” to the Financial Statements in this annual report.

HUMAN RESOURCES AND TRAINING

The Group employed approximately 14,000 employees as at 30 June 2015. The Group continued to follow a measured approach towards achieving an optimal and efficient size of its workforce and is committed to providing its staff with ongoing development programmes to enhance productivity and work quality.

The remuneration policy for the Group’s employees is reviewed on a regular basis. Remuneration packages are structured to take into account the level and composition of pay and general market conditions in the respective countries and businesses in which the Group operates. Bonus and other merit payments are linked to the financial results of the Group and individual achievement as incentives to optimise performance. In addition, share based award schemes are in place for granting share options and/or free shares to eligible employees to align their long term interests with those of the shareholders and for the purposes of staff motivation and talent retention.

CORPORATE GOVERNANCE REPORT

*"**Corporate Governance** is the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholders' value, whilst taking into account the interest of other stakeholders."*

The board of directors of the Company (the "Board") has adopted a Code of Corporate Governance Practices (the "CGP Code") based on the principles set out in Appendix 14 (the "HKEx Code") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The CGP Code is reviewed from time to time and updated as appropriate to align with the revised provisions of the HKEx Code. Continuous efforts are made to review and enhance the Group's internal controls and procedures in light of changes in regulations and developments in best practices. To us, maintaining high standards of corporate governance practices is not just complying with the letter of the provisions but also the intent of the regulations to enhance corporate performance and accountability.

The Board is pleased to report compliance with the HKEx Code throughout the financial year ended 30 June 2015, except where otherwise stated.

A. DIRECTORS

1. The Board

The Board assumes responsibilities for directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles and has established relevant board committees to assist in discharging these responsibilities.

The main role and responsibilities of the Board broadly cover, among others, reviewing and approving corporate mission and broad strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; reviewing and approving key matters such as financial results, investments and divestments and other material transactions; and reviewing the Company's policies and practices on corporate governance as well as legal and regulatory compliance.

The Board recognises its corporate governance duties as an ongoing commitment and has monitored and reviewed the relevant corporate governance standard and practices of the Company during the year and delegated relevant aspects of the function to the board committees and management where appropriate.

The Board has delegated the day-to-day management and operation of the Group's businesses to the management of the Company and its subsidiaries.

A. DIRECTORS (cont'd)

1. The Board (cont'd)

The Board currently comprises the following members:

Chairman
Quek Leng Chan

Executive Director
Kwek Leng Hai *(President, CEO)*

Non-executive Directors
Kwek Leng San
Tan Lim Heng

Independent Non-executive Directors
Volker Stoeckel
Roderic N. A. Sage
David Michael Norman

Every director is subject to retirement by rotation at least once every three years pursuant to the Bye-Laws of the Company and the CGP Code.

Despite non-executive directors are not appointed for a specific term as stipulated by the HKEx Code, they are subject to retirement by rotation and re-election at the annual general meetings of the Company. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the HKEx Code.

The Company received confirmation of independence from each of the independent non-executive directors (the "INED") for the year pursuant to Rule 3.13 of the Listing Rules. The Company considers that Messrs Volker Stoeckel, Roderic N. A. Sage and David Michael Norman continue to be independent up to and as at the date of this report.

Among the INEDs, Mr Stoeckel has served the Company for more than nine years. Pursuant to Appendix 14 to the Listing Rules, the Company has further assessed his independence and having considered that Mr Stoeckel has never been involved in the executive management of the Group and has over time given objective views and independent guidance to the Company, the Company is in the view that Mr Stoeckel is still independent.

The family relationships among the board members, if any, are disclosed under "Biographical Details of Directors and Senior Management" on pages 6 and 7 of this annual report.

2. Chairman and Chief Executive Officer ("CEO")

The roles of the Chairman and the CEO of the Company are segregated and are not held by the same person. Currently, Mr Quek Leng Chan is the Chairman and Mr Kwek Leng Hai is the President and CEO of the Company.

The Chairman leads the Board and ensures its smooth and effective functioning. The CEO is responsible for the vision and strategic direction of the Group, implementing the policies and decisions of the Board, initiating business ideas and corporate strategies to create competitive edge and enhancing shareholder wealth, setting the benchmark and targets for operating companies, overseeing the day-to-day operations and tracking compliance and business progress.

A. DIRECTORS (cont'd)

3. Board Meetings and Access of Information

The Board meets regularly. During the year, five board meetings were held and details of directors' attendance are as follows:

	Meetings attended/held
Chairman	
Quek Leng Chan	5/5
Executive Director	
Kwek Leng Hai	5/5
Non-executive Directors	
Kwek Leng San	5/5
Tan Lim Heng	5/5
Independent Non-executive Directors	
Volker Stoeckel	4/5
Roderic N. A. Sage	5/5
David Michael Norman	5/5

Board papers are circulated prior to board meetings on a timely manner, which include, among others, financial and corporate information, significant operational and corporate issues and business performance of the Group as well as management proposals which require the approval of the Board.

Where appropriate, decisions are also taken by way of circulated resolutions. The Board also receives information between meetings about developments in the Company's business.

All directors have access to the advice and services of the company secretary and internal auditors, and upon reasonable request, independent professional advice in appropriate circumstances at the Company's expense, if any.

4. Directors' Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct governing directors' securities transactions.

All directors of the Company during the year, following specific enquiry by the Company, have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

A. DIRECTORS (cont'd)

5. Directors' Continuous Training and Development Programme

Pursuant to the HKEx Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

The Company has put in place a training and development programmes for directors which includes (1) induction/familiarisation progamme for newly appointed directors; and (2) on-going training and professional development programme for directors.

During the year ended 30 June 2015, all directors of the Company namely, Messrs Quek Leng Chan, Kwek Leng Hai, Kwek Leng San, Tan Lim Heng, Volker Stoeckel, Roderic N. A. Sage and David Michael Norman, received regular briefings and updates on the Group's business, operations, risk management and corporate governance matters. Materials on new or changes to salient laws and regulations applicable to the Group were provided to the directors. They also attended regulatory update sessions and seminars on relevant topics. All directors are requested to provide the Company with their respective training record pursuant to the CGP Code.

B. DIRECTORS' REMUNERATION

1. Board Remuneration Committee ("BRC")

The principal role of the BRC is to make recommendations to the Board on the policy and structure for the remuneration of directors and senior management, as well as to determine, with delegated responsibility from the Board as described under Code B.1.2(c)(i) of the HKEx Code, the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payment, including any compensation payable for loss or termination of their office or appointment. Detailed terms of reference of the BRC is accessible on the Company's website.

Membership and attendance

For the year ended 30 June 2015, the members of the BRC and their attendance at the meetings are set out below:

	Meetings attended/held
Volker Stoeckel – *Chairman*	2/2
Quek Leng Chan	2/2
Roderic N. A. Sage	2/2

B. DIRECTORS' REMUNERATION (cont'd)

1. Board Remuneration Committee ("BRC") (cont'd)

Work done during the year

- reviewed the terms of reference of the BRC and remuneration policy for directors and senior management;
- approved the inclusion of statement related to BRC in the Corporate Governance Report;
- reviewed and recommended director's fee for the non-executive director for the financial year 2013/2014;
- approved the discretionary bonuses for executive directors and senior management;
- reviewed the remuneration packages of executive directors and senior management; and
- reviewed and approved the terms of revised service contract of a director with a subsidiary, due to his retirement from an executive position but remaining as a non-executive director of the Company.

2. Level and Make-up of Remuneration

The Group's remuneration scheme for executive directors and senior management is linked to performance, service seniority, experience and scope of responsibility and is based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices.

The level of remuneration of non-executive directors reflects the level of responsibilities undertaken by them.

The fees of directors, including non-executive directors, are recommended and endorsed by the Board for shareholders' approval at the Company's annual general meetings.

Details of the remuneration of the directors for the year ended 30 June 2015 are provided in note 9 to the Financial Statements in this annual report.

C. DIRECTORS' NOMINATION

1. Board Nomination Committee ("BNC")

The principal role of the BNC is to make recommendations to the Board on the structure, size, composition and diversity of the Board, to review the independence of independent non-executive directors, the suitability of directors who will stand for re-election and directors' continuous training and development programme and to formulate a policy concerning board diversity, monitor the implementation of such policy and to review the same, as appropriate. Detailed terms of reference of the BNC is accessible on the Company's website.

Membership and attendance

For the year ended 30 June 2015, the members of the BNC and their attendance at the meetings are set out below:

	Meetings attended/held
Quek Leng Chan – *Chairman*	1/1
Volker Stoeckel	1/1
Roderic N. A. Sage	1/1

Work done during the year

- reviewed the structure, size, composition and diversity of the Board (including the mix of skills, knowledge, experience and competences of directors, and the balance between executive, non-executive and independent non-executive directors) annually and for redesignation of an executive director to a non-executive role. The BNC is of the view that the appropriate and diverse mix of skills and experience of the board of directors are maintained;

- reviewed and assessed the independence of independent non-executive directors of the Company and confirmed that all independent non-executive directors are considered independent;

- reviewed the profile of and participation in the Company's affairs by directors who will stand for re-election at the annual general meeting and confirmed that all those directors are suitable to stand for re-election;

- reviewed the continuous training and development programmes undertaken by directors and confirmed that an appropriate programme is in place; and

- reviewed its terms of reference and the Board Diversity Policy.

2. Board Diversity Policy

The Company has adopted the Board Diversity Policy pursuant to which the Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company maintains that selection of candidates for Board appointments will be based on a range of diversity perspectives and the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The BNC will review the Board Diversity Policy, as appropriate, to ensure its effectiveness and the monitor the implementation of the Board Diversity Policy.

D. ACCOUNTABILITY AND AUDIT

1. Board Audit Committee ("BAC")

The BAC oversees the financial reporting process and assesses the adequacy and effectiveness of the Company's financial and internal controls as well as risk management systems. The BAC meets with the Company's external and internal auditors, and reviews their audit plans, the internal audit programmes, the results of their examinations as well as their evaluations of the system of controls. The BAC reviews the Group's and the Company's financial statements and the auditors' report thereon and submits its views to the Board. Detailed terms of reference of the BAC is accessible on the Company's website.

Membership and attendance

For the year ended 30 June 2015, the members of BAC and their attendance at the meetings are set out below:

	Meetings attended/held
Roderic N. A. Sage – *Chairman*	4/4
Volker Stoeckel	3/4
David Michael Norman	4/4

The Chief Executive, Chief Financial Officer and Head of Internal Audit are normal attendees of the BAC meetings. Where appropriate, representatives of the external auditors are invited to attend the BAC meetings to present significant audit and accounting matters which they noted in the course of their audit.

Work done during the year

- reviewed the nature and scope of external audit and approved the external audit fee;
- reviewed the interim financial report, the interim results announcement, the annual accounts and the final results announcement;
- reviewed the financial reporting system and related internal control procedures, including the adequacy of resources, qualifications, experience of staff of the accounting and financial reporting functions, and their training programmes and budget;
- reviewed the Group's accounting policies and practices;
- reviewed and approved the annual internal audit plan;
- reviewed major findings of internal audit assignments and the progress of implementation of remedial measures on control issues identified;
- reviewed the Group's risk registers of strategic business units and system of internal control and assessed the adequacy and effectiveness of the action plans and control systems for managing these risks; and
- reviewed connected transactions entered into by the Group or subsisting during the year.

D. ACCOUNTABILITY AND AUDIT (cont'd)

2. Financial Reporting

The Listing Rules require listed companies to prepare annual financial statements which shall provide a true and fair view of the state of affairs of the companies and of the results of their operations and cashflows.

The Board is responsible for ensuring the maintenance of proper accounting records of the Group. It has also acknowledged its responsibility for preparing the financial statements.

The Board approves the financial statements after taking into account the BAC's comments on specific accounting matters.

The Board is satisfied that appropriate accounting policies have been used in preparing the financial statements, consistently applied and complied with the relevant accounting standards.

A statement of the auditor about their reporting responsibilities is included in the Report of the Auditor on page 71 of this annual report.

3. Internal Controls

The Board, recognising its responsibilities to ensure sound internal controls, has put in place a risk management framework for the Group to:

- identify significant risks faced by the Group in the operating environment as well as evaluate the impact of such risks identified;
- develop necessary measures for managing these risks; and
- monitor and review the effectiveness and adequacy of such measures.

The Board has entrusted the BAC with the responsibility of overseeing the implementation of the Group's risk management framework. In discharging this responsibility, the BAC, assisted by the Group Internal Audit Department and the audit committees of other listed subsidiary groups:

- ensures that new and emerging risks relevant to the Group are promptly identified by management;
- assesses the adequacy of action plans and control systems developed to manage these risks; and
- monitors the implementation of the action plans and the effectiveness and adequacy of the control systems.

These on-going processes are in place, and reviewed periodically by the BAC.

The controls built into the risk management framework are intended to manage and not expected to eliminate all risks of failure to achieve business objectives. These controls provide reasonable, but not absolute, assurance against material misstatement of management and financial information or against financial losses and fraud.

The Board, through the BAC, has conducted an annual review on the Group's risk registers of strategic business units and system of internal control and considers that the Group's risk management and internal control system are adequate and effective. The Board is satisfied that the Group has complied with the provisions on internal controls as set out in the CGP Code.

D. ACCOUNTABILITY AND AUDIT (cont'd)

4. Auditors' Remuneration

The fees charged by the Group's external auditors for the year in respect of annual audit services amounted to HK$16,566,000 and those in respect of non-audit services (comprising tax advisory and review, transaction support and consultancy services) amounted to HK$2,481,000.

E. INVESTOR RELATIONS

1. Communication with Investors

The Company encourages two-way communication with both its institutional and private investors. Extensive information about the Group's activities is provided in the interim and annual reports which are distributed to shareholders.

Regular dialogues are maintained with institutional investors. Enquiries from individuals on matters relating to their shareholdings and the business of the Group are welcome and are dealt with in an informative and timely manner. The enquiries can be directed to the Group Company Secretary via email at the designated mail box – comsec@guoco.com or directly by questions at general meetings of the Company.

In order to promote effective communication, the Company maintains a website at www.guoco.com to provide:

- latest news, announcements, financials including interim and annual reports;
- other corporate communication materials, e.g. notices of meetings, circulars, proxy forms, etc.;
- corporate calendar for important shareholders' dates for current financial year;
- constitutional documents of the Company;
- corporate governance information including composition and terms of reference of various corporate governance committees, corporate governance report and shareholders' rights;
- online registration of email alert service for receiving the Company's latest corporate communications; and
- other information relating to the Group and its businesses.

Shareholders can make any query in respect of the Group or to make a request for the Group's information to the extent such information is publicly available. The designated contact details are as follows:

By Post:	Guoco Group Limited 50th Floor, The Center, 99 Queen's Road Central, Hong Kong
By Fax:	(852) 2285 3233
By Email:	comsec@guoco.com

Shareholders' questions about their shareholdings should be directed to Computershare Hong Kong Investor Services Limited, the Company's share registrar, at Shops 1712-16, 17th Floor, Hopewell Center, 183 Queen's Road East, Hong Kong.

E. INVESTOR RELATIONS (cont'd)

2. General Meetings

The annual general meeting of the Company provides an opportunity for the shareholders to seek clarification and to obtain a better understanding of the Group's performance. Shareholders are encouraged to meet and communicate with the Board at the annual general meeting and to vote on all resolutions.

During the year, an annual general meeting was held and details of directors' attendance at the meeting are as follows:

	Meetings attended/held
Chairman	
Quek Leng Chan	1/1
Executive Director	
Kwek Leng Hai	1/1
Non-executive Directors	
Kwek Leng San	1/1
Tan Lim Heng	1/1
Independent Non-executive Directors	
Volker Stoeckel	1/1
Roderic N. A. Sage	1/1
David Michael Norman	1/1

3. Rights and Procedures for Shareholders to Convene General Meetings

Pursuant to Bermuda Companies Act 1981, the directors of the Company shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, forthwith proceed duly to convene a special general meeting of the Company. The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

Pursuant to the Company's Bye-Law 103, shareholder(s) may send a notice in writing of intention to propose a person for election as a Director. Such notice in writing shall be lodged at the Company's principal office at 50th Floor, The Center, 99 Queen's Road Central, Hong Kong, or at the branch share registrars' office at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong provided that the minimum length of the period for lodgment of the notices referred to herein shall be at least seven days which shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

28 August 2015

CORPORATE SOCIAL RESPONSIBILITY

*"Guided by our company value of **Social Responsibility**, we are committed to meeting the highest standards of corporate citizenship and protect the environment. We are committed as a company and as individuals to comply with the laws, respect the cultures, and to have a positive impact to the communities where we conduct our businesses."*

Guoco staff participated in Flag Day and 2015 Walk for Millions organized by The Hong Kong Community Chest.

At Guoco Group, we aim to achieve our business objective of realising long term shareholders' value and business sustainability, taking into account of the interests of our stakeholders. We believe that serving our communities is not only integral to running a business successfully; it is also part of our individual responsibilities as citizens of the world. We continue to support communities in ways that enhance the Group's relationship and reputation with employees, customers, business partners and other stakeholders.

Guided by our company value of Social Responsibility, we are committed to meeting the highest standards of corporate citizenship and protect the environment. We are committed as a company and as individuals to comply with the laws, respect the cultures, and to have a positive impact to the communities where we conduct our businesses.

Below is our commitment to each of the focus areas under our corporate social responsibility framework:

WORKPLACE

The Group aims to ensure that the health, safety, and welfare of our employees are well taken care of and we acknowledge our responsibility towards employees who may be affected by our activities. While we regard legislative compliance as a minimum, whenever possible, we seek to implement higher health and safety standards throughout our businesses.

Consistent with our Best Work Environment practices, the Group is committed to providing equal opportunities for all our employees. We ensure that every employee is treated equally and fairly, free from discrimination in all aspects of employment including recruitment, promotion, and opportunities for training, pay and benefits.

Staff Training and Development

The Group is committed to the following mission in staff training and development:

"To improve employee's present job performance, and develop their potential to support the business needs and future growth."

It is the policy of the Group to encourage employees to attend appropriate courses to enhance their competence for performance improvement and career development. In view of this, the Group has organized workshops, seminars and training programmes for employees covering various aspects to improve their level of skills and knowledge and to maximise their potentials. They are also encouraged to enrol in external studies opportunities to enrich themselves through acquiring higher professional qualifications or to attend job-related courses.

Workplace Health & Safety

We are dedicated to providing a healthy and safe workplace to our employees. The promotion of occupational and health measures at workplace are regarded essential to our businesses and operations. Appropriate occupational and health manuals relevant to their industries/businesses are adopted by the core business subsidiary groups. Risk assessments of workstations are conducted constantly to identify and assess the risks to the safety and health of the employees, and to decide whether existing precautions are adequate. We constantly provide regular environment, health and safety training to employees and continue to raise corporate and individual awareness of maintaining a healthy and safe workplace. We encourage our employees to advise us of any health and safety issues in their workplace so that we can look at eliminating or reducing the risk and finally we will all work together to reduce health and safety risks to a minimum.

GuocoLand was conferred the Silver Award by the Health Promotion Board of Singapore as a national recognition of its dedication to put employees' wellness as a corporate priority.

Employee Engagement

We value the importance of maintaining a healthy lifestyle and worklife balance of our employees. Staff wellness programmes varied from fruit day, free breakfast day to medical officer advice telephone support, psychological (counselling) services, health promotion and wellness screening. Paper embroidery workshop, social harmony talk and parents workshop on improving soft skills and interpersonal relationships were also organised during the year. Staff privileges were given to employees from time to time.

Staff of GuocoLand took part in the 2015 SGX Bull Charge, a corporate charity run.

The Group also actively engages its employees through social, employee bonding, outing, volunteer works and charity activities. During the year, Hong Kong staff took part in Walk for Millions and Flag Day organised by The Community Chest of Hong Kong. Other staff bonding activities also included staff annual dinners, charity run, mooncake workshop and bowling competition.

Guoco staff participated in mooncake workshop and parents workshop.

Tanjong Pagar Centre Awards for its environmentally friendly features

2012	LEED CS Pre-certified Platinum (Guoco Tower)
2013	BCA Green Mark Platinum Award (Guoco Tower, Clermont Hotel and retail components)
2014	BCA Green Mark Gold Plus Award (Clermont Residence)

ENVIRONMENT

Guoco Group endeavours to identify and minimise the negative environmental impacts of our products and business activities. Our environmental initiatives include smart and careful consumption of resources and water, and measures taken on emissions to air, waste generation, energy use and procurement processes. We are committed to minimising our environmental impact and encouraging greater sustainability throughout our business.

GuocoLand is committed in its efforts to develop processes and to include environmental sustainable features in its property development. Initiatives have been taken to develop buildings which comply with the guidelines set by the local building authorities in countries in which GuocoLand group operates in. Among the notable examples is Damansara City, a flagship integrated development at Damasara Heights, is built to comply with the Green Building Index (GBI) Certified rating; the Leadership in Energy & Environmental Design (LEED) Gold rating; and CONQUAS Quality Assessment for building construction works. Testimony to GuocoLand's efforts in environmental sustainability are the awards its property developments have garnered in all these years. In particular, GuocoLand's landmark integrated development, Tanjong Pagar Centre, currently under construction, has already received several awards, including some which recognise it for its environmentally friendly features.

For the fourth year, Rank has reduced gas and electricity consumption on a like-for-like basis, achieved by the various initiatives coordinated via internal opportunities database including an automatic meter reading (AMR) system for monitoring gas and electricity consumption. Food waste segregation and collection has been rolled out across the venue estates with a resultant improvement in landfill diversion.

GuocoLeisure has an environmental policy in place which requires working with suppliers and partners to reduce energy and water consumption, increase recycling levels and incorporate renewable energy into its business practices to minimise operational expenses as well as its carbon footprint. This environmental policy is regularly monitored and updated to reflect new initiatives and processes.

GuocoLeisure's subsidiary, Molokai Properties Limited, is working with a third party to develop solor energy on the island of Molokai, to lower electricity costs and utilise clean renewable energy, thus decreasing the importation of fossil fuel to the island.

MARKETPLACE

The Group is committed to good business ethics and integrity. For many years now, we have had in place internally generated best practices to ensure the economic sustainability of all our companies. Some of these best practices are:

- Financial management disciplines established to drive excellence in financial management with the objective of preserving and enhancing the quality of the business as an on-going concern.
- An established enterprise risk management structure to ensure that a systematic policy-making process and delegation of responsibility are clearly set out to guide management.
- A code of business conduct and ethics applicable to compiling financial reports to ensure disclosures are true and fair.
- The practice of responsible selling and marketing of products and services.

We believe in fair and open competition based upon sound commercial practices and aim to develop long term relationships with suppliers and contractors based upon mutual trust. Therefore, the hire of services or the purchase of goods should be based solely upon price, quality, service dependability, and need. It is the policy of the Group to prohibit bribery and corrupt practices. The Group has in place policies and guidelines, including staff code of conduct, intellectual properties rights policy and personal data privacy policy, to ensure the conduct of the Group companies and employees are in compliance of rules and regulations and adhere to a higher standard of business ethnics and integrity.

COMMUNITY

Social responsibility is one of the Group's culture. We have long been committed to striving for the betterment of society and hold strongly the belief that a business organisation should not detach itself from its social responsibility. To this end, the Group and its staff are dedicated to charity works and active engagement with the communities.

Guoco ranked second in the overall fund raising for The Community Chest Walk for Millions 2015.

Guoco staff participated in Walk for Millions, Skip Lunch Day, Flag Day, Dress Casual Day and Love Teeth Day organised by The Community Chest of Hong Kong during the year. We were ranked second in the overall fund raising for The Community Chest Walk for Millions 2015. To recognise our enthusiastic participation and contribution, Guoco has been awarded the Platinum Award and the prestigious President's Award for the tenth year by The Community Chest. The Company was also recognised as a 2014/15 Top Ten Donor.

The Company, together with four group companies in Hong Kong namely Guoco Management Company Limited, GuocoCapital Limited, Hong Leong Insurance (Asia) Limited and Hong Leong Bank Berhad, Hong Kong Branch have been for the second year awarded "Caring Company 2014/2015" designation by The Hong Kong Council of Social Service in recognition of their continuous dedication and enduring efforts in performing corporate social responsibilities.

Rank Cares, a fund-raising and volunteering programme Rank launched in 2014, provides support to Carers Trust to help those who help others in need of care. The programme provides support, advice and relief for those undertaking what is often very physically and emotionally draining work and provides a framework for the employees of Rank to volunteer their time to help the Carers Trust. At 30 June 2015, Rank had raised GBP0.8 million for the Carers Trust.

Celebration for Lite@Nite raising the first GBP100,000.

GuocoLeisure's subsidiary GLH Hotels Limited has an established charitable foundation "Lite@Nite" that engages the entire workforce throughout the UK for the benefit of vulnerable children and to raise awareness of children's issues. In the last two years, Lite@Nite has raised GBP172,108 for five recognised children's charities through a nation-wide employee relay which involved swimming, running, cycling and walking over 1,400 miles. Lite@Nite also sponsors fun and engaging triathlons for children.

FINANCIAL SECTION CONTENTS

REPORT OF THE DIRECTORS

The directors of the Company present their report together with the audited financial statements of the Group for the year ended 30 June 2015 (the "Financial Statements").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and investment management. The principal activities of the subsidiaries which materially affected the results or assets of the Group during the year include principal investment, property development and investment, hospitality and leisure business, stock and commodities broking, bullion trading and corporate advisory services. The principal activities of the associates which materially affected the results of the Group during the year include banking and financing, insurance, fund management, stockbroking and merchant banking.

The analysis of the principal activities and locations of operations of the Company and its subsidiaries during the year is set out in note 17 to the Financial Statements.

SUBSIDIARIES

Particulars of the principal subsidiaries of the Company are set out in note 17 to the Financial Statements.

FINANCIAL STATEMENTS

The consolidated net profit of the Group for the year ended 30 June 2015 and the state of the Company's and the Group's affairs as at that date are set out in the Financial Statements on pages 72 to 177.

DIVIDENDS

An interim dividend of HK$1.00 (2014: HK$1.00) per share totalling HK$329,051,000 (2014: HK$329,051,000) was paid on 25 March 2015. The directors are recommending payment of a final dividend of HK$3.00 per share (2014: HK$3.00 per share) in respect of the year ended 30 June 2015 totalling HK$987,154,000 (2014: HK$987,154,000).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting:

Closure dates of Register of Members (both days inclusive)	20 November 2015 (Friday) to 24 November 2015 (Tuesday)
Latest time to lodge transfers	4:30 p.m. on 19 November 2015 (Thursday)
Record date	24 November 2015 (Tuesday)
Annual General Meeting	24 November 2015 (Tuesday)

For ascertaining shareholders' entitlement to the proposed final dividend*:

Closure date of Register of Members	1 December 2015 (Tuesday)
Latest time to lodge transfers	4:30 p.m. on 30 November 2015 (Monday)
Record date	1 December 2015 (Tuesday)
Proposed final dividend payment date	10 December 2015 (Thursday)

*(*subject to shareholders' approval at the forthcoming annual general meeting)*

During the periods of the closure of Register of Members, no share transfers will be registered. For registration, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong before the relevant latest time to lodge transfers.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group accounted for less than 30% of the total turnover of the Group and the five largest suppliers of the Group accounted for less than 30% of the total purchases of the Group.

CHARITABLE DONATIONS

Donations made by the Group during the year amounted to US$984,000 (2014: US$729,000).

SHARE CAPITAL, CONVERTIBLE SECURITIES AND WARRANTS

The Company did not issue any new share, convertible securities and warrants during the year. Details of the share capital of the Company are shown in note 32 to the Financial Statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its other subsidiaries, purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2015.

TRANSFER TO RESERVES

Profit for the year, before dividend, of US$759.4 million (2014: US$879.8 million) has been transferred to reserves. Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and in note 32 to the Financial Statements respectively.

INTEREST CAPITALISED

Interest capitalised during the year by the Group in respect of development properties, investment properties and other property, plant and equipment amounted to approximately US$90.7 million (2014: approximately US$78.1 million).

FIXED ASSETS

Movements in fixed assets during the year are set out in note 15 to the Financial Statements.

PROPERTIES

Particulars of the major development properties, properties held for sale and investment properties of the Group are shown on pages 178 to 182.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws in Bermuda.

DIRECTORS

The directors during the year and up to the date of this report are:

Quek Leng Chan* – *Chairman*
Kwek Leng Hai – *President, CEO*
Kwek Leng San*
Tan Lim Heng* *(re-designated from executive director to non-executive director on 1 March 2015)*
Volker Stoeckel**
Roderic N. A. Sage**
David Michael Norman**

* Non-executive director
** Independent non-executive director

In accordance with Bye-Law 99 and Code A.4.2 of the Code of Corporate Governance Practices of the Company, Messrs Kwek Leng San, Volker Stoeckel and David Michael Norman will retire from office by rotation at the forthcoming annual general meeting of the Company to be held on 24 November 2015 (the "AGM"). All of them, being eligible, will offer themselves for re-election at the AGM.

None of the directors has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Company ("Model Code") were disclosed as follows in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Certain information herein is based on additional information of the relevant events on or before 30 June 2015 with the disclosure deadlines under the SFO falling after 30 June 2015.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(A) The Company

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of the Company	
Quek Leng Chan	1,056,325	249,425,792	250,482,117	76.12%	Note
Kwek Leng Hai	3,800,775	–	3,800,775	1.16%	
Kwek Leng San	209,120	–	209,120	0.06%	
Tan Lim Heng	566,230	–	566,230	0.17%	
David Michael Norman	4,000	–	4,000	0.00%	

* Ordinary shares unless otherwise specified in the Notes

Note:

The total interests of 250,482,117 shares/underlying shares comprised 242,208,117 ordinary shares of the Company and 8,274,000 underlying shares of other unlisted derivatives.

The corporate interests of 249,425,792 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	236,524,930
GuoLine Capital Limited ("GCL")	8,274,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	4,026,862
Chaghese Limited ("CL")	600,000

AFCW was wholly owned by Guoco Management Company Limited which in turn was wholly owned by the Company. The Company was 71.88% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which in turn was wholly owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). HLCM was 49.27% owned by Mr Quek Leng Chan as to 2.424% under his personal name, 46.534% via HL Holdings Sdn Bhd ("HLH") which was wholly owned by him and 0.311% via Newton (L) Limited ("NLL"). NLL was wholly owned by Newton Capital Group Limited which was 2.424% owned by Mr Quek Leng Chan and 46.534% owned by HLH.

CL was wholly owned by Mr Quek Leng Chan.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations

a) Hong Leong Company (Malaysia) Berhad ("HLCM")

Director	Number of *shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLCM	
Quek Leng Chan	390,000	7,537,100	7,927,100	49.27%	Note
Kwek Leng Hai	420,500	–	420,500	2.61%	
Kwek Leng San	117,500	–	117,500	0.73%	

* Ordinary shares

Note:

The corporate interests of 7,537,100 shares comprised the respective direct interests held by:

	Number of shares
HL Holdings Sdn Bhd ("HLH")	7,487,100
Newton (L) Limited ("NLL")	50,000

The controlling shareholders of HLH and NLL as well as their respective percentage control are shown in the Note under Part (A) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

b) GuocoLand Limited ("GLL")

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of GLL	
Quek Leng Chan	13,333,333	864,270,020	877,603,353	74.16%	Note
Kwek Leng Hai	35,290,914	–	35,290,914	2.98%	
Tan Lim Heng	1,337,777	–	1,337,777	0.11%	
Volker Stoeckel	1,461,333	–	1,461,333	0.12%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 877,603,353 shares/underlying shares comprised 831,344,363 ordinary shares of GLL and 46,258,990 underlying shares of other unlisted derivatives.

The corporate interests of 864,270,020 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuocoLand Assets Pte Ltd ("GAPL")	772,032,426
GuoLine Capital Limited ("GCL")	46,258,990
GuoLine International Limited ("GIL")	32,461,318
Chaghese Limited ("CL")	13,417,286
HL Management Co Sdn Bhd ("HLMC")	100,000

GAPL was wholly owned by the Company. GIL was wholly owned by GuoLine Capital Assets Limited ("GCA"). HLMC was wholly owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). The respective controlling shareholders of the Company, CL, GCL, GCA and HLCM as well as their respective percentage control are shown in the Note under Part (A) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

c) Hong Leong Financial Group Berhad ("HLFG")

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLFG	
Quek Leng Chan	4,989,600	856,380,500	861,370,100	81.82%	Note
Kwek Leng Hai	2,316,800	–	2,316,800	0.22%	
Kwek Leng San	600,000	–	600,000	0.06%	
Tan Lim Heng	245,700	–	245,700	0.02%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 861,370,100 shares/underlying shares comprised 824,903,500 ordinary shares of HLFG and 36,466,600 underlying shares of other unlisted derivatives.

The corporate interests of 856,380,500 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	546,773,354
Hong Leong Share Registration Services Sdn Bhd ("HLSRS")	3,600
GuoLine Capital Limited ("GCL")	36,466,600
Guoco Assets Sdn Bhd ("GASB")	267,079,946
Soft Portfolio Sdn Bhd ("SPSB")	6,057,000

GASB was 45.45% and 54.55% owned by the Company and GA Investment Limited ("GAIL") respectively. GAIL was wholly owned by the Company. HLSRS was wholly owned by HL Management Co Sdn Bhd which in turn was wholly owned by HLCM.

The respective controlling shareholders of the Company, HLCM and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

SPSB was 99% owned by Mr Quek Leng Chan.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

d) GuocoLand (Malaysia) Berhad ("GLM")

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of GLM	
Quek Leng Chan	19,506,780	478,198,296	497,705,076	71.05%	Note
Kwek Leng Hai	226,800	–	226,800	0.03%	
Tan Lim Heng	326,010	–	326,010	0.05%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 497,705,076 shares/underlying shares comprised 474,705,376 ordinary shares of GLM and 22,999,700 underlying shares of other unlisted derivatives.

The corporate interests of 478,198,296 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GLL (Malaysia) Pte Ltd ("GLLM")	455,130,580
GuoLine Capital Limited ("GCL")	23,067,716

GLLM was wholly owned by GuocoLand Limited which in turn was 65.24% owned by GuocoLand Assets Pte Ltd ("GAPL").

The controlling shareholder of GCL and its percentage control are shown in the Note under Part (A) above.

The controlling shareholder of GAPL and its percentage control are shown in the Note under Part (B)(b) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

e) GuocoLeisure Limited ("GL")

Director	Number of *shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of GL	
Quek Leng Chan	735,000	912,076,434	912,811,434	66.72%	Note
Tan Lim Heng	1,100,000	–	1,100,000	0.08%	

* Ordinary shares

Note:

The corporate interests of 912,076,434 shares comprised the respective direct interests held by:

	Number of shares
GuocoLeisure Assets Limited ("GLAL")	910,261,434
GuoLine Overseas Limited ("GOL")	1,415,000
HL Management Co Sdn Bhd ("HLMC")	400,000

GLAL was wholly owned by the Company. HLMC was wholly owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). The respective controlling shareholders of the Company, GOL and HLCM as well as their respective percentage control are shown in the Note under Part (A) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

f) The Rank Group Plc ("Rank")

	Number of *shares (Long Position)				
Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of Rank	
Quek Leng Chan	285,207	219,282,221	219,567,428	56.20%	Note
Kwek Leng Hai	1,026,209	–	1,026,209	0.26%	
Kwek Leng San	56,461	–	56,461	0.01%	
Tan Lim Heng	152,882	–	152,882	0.04%	

* Ordinary shares

Note:

The corporate interests of 219,282,221 shares comprised the respective direct interests held by:

	Number of shares
GuoLine Overseas Limited ("GOL")	15,830,300
Asian Financial Common Wealth (PTC) Limited ("AFCW")	1,087,252
Chaghese Limited ("CL")	162,000
Rank Assets Limited ("RAL")	202,202,669

RAL was wholly owned by the Company. The respective controlling shareholders of the Company, AFCW, GOL and CL as well as their respective percentage control are shown in the Note under Part (A) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

g) Hong Leong Industries Berhad ("HLI")

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLI	
Quek Leng Chan	–	243,551,870	243,551,870	76.24%	Note
Kwek Leng Hai	190,000	–	190,000	0.06%	
Kwek Leng San	2,520,000	–	2,520,000	0.79%	

* Ordinary shares unless otherwise specified in the Note.

Note:

The total interests of 243,551,870 shares/underlying shares comprised 242,665,670 ordinary shares of HLI and 886,200 underlying shares of other unlisted derivatives.

The corporate interests of 243,551,870 shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Manufacturing Group Sdn Bhd ("HLMG")	238,217,035
Hong Leong Assurance Berhad ("HLA")	1,936,635
Soft Portfolio Sdn Bhd ("SPSB")	2,512,000
GuoLine Capital Limited ("GCL")	886,200

HLA was 70% owned by HLA Holdings Sdn Bhd ("HLAH"). HLAH was wholly owned by HLFG which in turn was 77.31% owned by Hong Leong Company (Malaysia) Berhad ("HLCM").

HLMG was wholly owned by HLCM.

The respective controlling shareholders of HLCM and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

The controlling shareholder of SPSB and his percentage control are shown in the Note under Part (B)(c) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

h) Hong Leong Bank Berhad ("HLB")

	Number of *shares (Long Position)				
Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLB	
Quek Leng Chan	–	1,160,549,285	1,160,549,285	64.52%	Note
Kwek Leng Hai	4,750,000	–	4,750,000	0.26%	
Kwek Leng San	462,000	–	462,000	0.03%	

* Ordinary shares

Note:

The corporate interests of 1,160,549,285 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Financial Group Berhad ("HLFG")	1,143,931,005
Hong Leong Assurance Berhad ("HLA")	2,635,780
Soft Portfolio Sdn Bhd ("SPSB")	48,000
Asia Fountain Investment Company Limited ("AFI")	181,000
GuoLine Capital Limited ("GCL")	2,393,400
Hong Leong Equities Sdn Bhd ("HLESB")	11,360,100

AFI was wholly owned by GuocoEquity Assets Limited which in turn was wholly owned by the Company. The respective controlling shareholders of the Company and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

HLESB was wholly owned by HLFG. The respective controlling shareholders of HLA and HLFG as well as their respective percentage control are shown in the Note under Part (B)(g) above.

The controlling shareholder of SPSB and his percentage control are shown in the Note under Part (B)(c) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

i) Malaysian Pacific Industries Berhad ("MPI")

	Number of *shares (Long Position)				
Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of MPI	
Quek Leng Chan	–	111,179,357	111,179,357	55.90%	Note
Kwek Leng Hai	71,250	–	71,250	0.04%	
Kwek Leng San	1,260,000	–	1,260,000	0.63%	

* Ordinary shares

Note:

The corporate interests of 111,179,357 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Industries Berhad ("HLI")	2,438,469
Hong Leong Share Registration Services Sdn Bhd ("HLSRS")	6,462
Hong Leong Assurance Berhad ("HLA")	2,352,838
Hong Leong Manufacturing Group Sdn Bhd ("HLMG")	104,386,088
Soft Portfolio Sdn Bhd ("SPSB")	995,500
Asia Fountain Investment Company Limited ("AFI")	1,000,000

HLI was 74.57% owned by HLMG.

The respective controlling shareholders of HLA and HLMG as well as their respective percentage control are shown in the Note under Part (B)(g) above.

The respective controlling shareholders of HLSRS and SPSB as well as their respective percentage control are shown in the Note under Part (B)(c) above.

The controlling shareholder of AFI and its percentage control are shown in the Note under Part (B)(h) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

j) Lam Soon (Hong Kong) Limited ("LSHK")

Director	Number of *shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the total number of issued shares of LSHK
Kwek Leng Hai	2,300,000	–	2,300,000	0.95%
Tan Lim Heng	274,000	–	274,000	0.11%

* Ordinary shares

k) Hume Industries Berhad ("HIB") (formerly known as "Narra Industries Berhad")

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HIB	
Quek Leng Chan	–	351,605,263	351,605,263	73.39%	Note
Kwek Leng Hai	205,200	–	205,200	0.04%	
Kwek Leng San	3,921,600	–	3,921,600	0.82%	

* Ordinary shares

Note:

The total interests of 351,605,263 shares/underlying shares comprised 351,377,167 ordinary shares of HIB and 228,096 underlying shares of other unlisted derivatives.

The corporate interests of 351,605,263 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Industries Berhad ("HLI")	2,519,982
Hong Leong Assurance Berhad ("HLA")	2,091,565
Soft Portfolio Sdn Bhd ("SPSB")	2,712,960
Hong Leong Manufacturing Group Sdn Bhd ("HLMG")	344,052,660
GuoLine Capital Limited ("GCL")	228,096

The respective controlling shareholders of HLA and HLMG as well as their respective percentage control are shown in the Note under Part (B)(g) above.

The controlling shareholder of GCL and its percentage control are shown in the Note under Part (A) above.

The controlling shareholder of SPSB and its percentage control are shown in the Note under Part (B)(c) above.

The controlling shareholder of HLI and its percentage control are shown in the Note under Part (B)(i) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(C) Others

Associated Corporations in which Mr Quek Leng Chan was deemed to be interested solely through his deemed controlling interest in HLCM and/or its subsidiaries:

Carsem (M) Sdn Bhd
Carter Realty Sdn Bhd
Century Touch Sdn Bhd#
GLL IHT Pte. Ltd.*
Guangzhou Lam Soon Food Products Limited
Guocera Tile Industries (Meru) Sdn Bhd
Hong Leong Assurance Berhad
Hong Leong Capital Berhad
Hong Leong MSIG Takaful Berhad
Hong Leong Yamaha Motor Sdn Bhd
Kwok Wah Hong Flour Company Limited#
Lam Soon (Hong Kong) Limited
Luck Hock Venture Holdings, Inc.
Southern Steel Berhad
Southern Pipe Industry (Malaysia) Sdn Bhd

* In respect of interests in debentures only
\# In members' voluntary liquidation

The Company applied for and the Stock Exchange granted a waiver from full compliance with the disclosure requirements in respect of details of the deemed interests of Mr Quek Leng Chan in the above associated corporations under Paragraph 13(1) of Appendix 16 to the Listing Rules.

Save as disclosed above, as at 30 June 2015, none of the directors of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified by the directors of the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules.

SHARE OPTIONS

The Company

Executive Share Option Scheme 2012 (the "ESOS 2012")

The ESOS 2012 was approved by the shareholders of the Company at the special general meeting on 14 November 2012 (the "Approval Date") and took effect on 16 November 2012 (the "Effective Date") to provide an opportunity for the executives or directors of the Company and all its subsidiaries (the "Eligible Executives") to participate in the equity of the Company and aligning the Company's long term interests with those of the shareholders.

Pursuant to the ESOS 2012, the exercise of options by Eligible Executives shall be satisfied through the issue of new shares and/or the transfer the existing shares of the Company. A trust (the "ESOS Trust") is in place for the purpose of acquiring existing shares of the Company from time to time to satisfy the exercise of options which may be granted under the ESOS 2012. A wholly owned subsidiary of the Company as the trustee is responsible for administering the ESOS Trust.

The number of new shares of the Company that may be issued upon exercise of all share options to be granted under the ESOS 2012 shall not in aggregate exceed 10% of the issued share capital of the Company as at the Approval Date, i.e. 32,905,137 which represents 10% of the shares in issue of the Company as at the date of this report. The maximum entitlement for any Eligible Executives in respect of the total number of shares issued and to be issued upon exercise of options granted and to be granted in any 12 months period up to the date of the latest grant shall not exceed 1% of the shares of the Company in issue as at any date of grant.

The option price per share payable upon exercise of any share option will be determined by the directors upon the grant of the share option. It will not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of offer of such a share option; and (c) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the share option within 30 days inclusive of, and from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant in respect of such offer.

The life of the ESOS 2012 is 10 years from the Effective Date. The ESOS 2012 shall remain valid and effective till 15 November 2022.

No option has ever been granted to any Eligible Executives pursuant to the ESOS 2012 up to 30 June 2015.

SHARE OPTIONS (cont'd)

GuocoLand Limited ("GLL")

GuocoLand Limited Executives' Share Option Scheme 2008 (the "GLL ESOS 2008")

The GLL ESOS 2008 was approved by the shareholders of GLL on 17 October 2008 and further approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 21 November 2008 (the "GLL ESOS Effective Date"). Under the GLL ESOS 2008, options may be granted over newly issued and/or existing shares of GLL to eligible participants including employees and executive directors of GLL and its subsidiaries who are not GLL's controlling shareholders or associates.

The GLL ESOS 2008 provides an opportunity for the employees of the GLL Group who have contributed to the growth and development of the GLL Group to participate in the equity of GLL.

The GLL ESOS Committee shall select confirmed employees (including executive directors) of the GLL Group to become participants in the GLL ESOS 2008.

The number of GLL shares over which the GLL ESOS Committee may grant options under the GLL ESOS 2008 on any date shall not in aggregate exceed 15% of the issued share capital of GLL on the day preceding that date, provided that the maximum aggregate number of new GLL shares over which the GLL ESOS Committee may grant options when added to the number of new GLL shares issued and issuable in respect of all options granted under the GLL ESOS 2008, shall not exceed 10% of the issued share capital of GLL as at the GLL ESOS Effective Date. As at the date of this report, the total number of new GLL shares available for issue under the GLL ESOS 2008 is 118,337,327, which represents approximately 10% of the issued share capital of GLL.

The maximum entitlement of any participant in respect of the total number of new GLL shares issued and to be issued upon the exercise of options granted in any 12-month period shall not exceed 1% of the share capital of GLL in issue as at any date of grant.

The grant of option to a participant shall be accepted within 30 days from the date on which an option is granted accompanied by a payment of S$1 as consideration.

The exercise price per GLL share shall be a price equal to the 5-day weighted average market price of the GLL shares immediately prior to the date of grant of the option. An option shall be exercisable within such period commencing on the date after (a) the second anniversary of the date of grant (for participants who have been employed for less than one year) and (b) the first anniversary of the date of grant (for all other participants) and ending on a date not later than 10 years after the date of grant.

The GLL ESOS 2008 shall continue to be in force at the discretion of the GLL ESOS Committee, subject to a maximum period of 10 years commencing on the GLL ESOS Effective Date till 20 November 2018.

There were no outstanding options at any time during the year ended 30 June 2015.

SHARE OPTIONS (cont'd)

GuocoLeisure Limited ("GL")

The GuocoLeisure Limited Executives' Share Option Scheme 2008 (the "GL ESOS 2008")

The GL ESOS 2008 was approved by the shareholders of GL on 17 October 2008, and by the shareholders of the Company on 21 November 2008 (the "GGL Approval Date") for the purpose of compliance with Chapter 17 of the Listing Rules. The GL ESOS 2008 allows the grant of options over newly issued and/or existing shares of GL to confirmed employees (including executive directors) of GL and its subsidiaries (the "GL Group"). Non-executive directors of GL, directors and employees of associated companies of GL, and directors and employees of and GL's controlling shareholders or their associates (including the Company and its subsidiaries which are not members of the GL Group) are not eligible to participate in the GL ESOS 2008.

The primary aim of the GL ESOS 2008 is to align the long-term interests of GL employees with those of the shareholders of GL and to encourage such employees to assume greater responsibility for the performance of the businesses which they manage.

GL's Remuneration Committee ("RC"), comprising directors of GL who are not participants of GL ESOS 2008, administers the GL ESOS 2008.

The aggregate of: (a) the number of GL shares over which the RC may grant options under the GL ESOS 2008 on any date (the "Date"); and (b) the number of GL shares transferred and to be transferred, and new shares issued and allotted and to be issued and allotted pursuant to all options granted under the GL ESOS 2008, shall not exceed 15% of the issued share capital of GL on the day preceding the Date, provided that the aggregate of: (i) the number of new GL shares to be issued and allotted and over which the RC may grant options under the GL ESOS 2008; and (ii) the number of new GL shares which have been issued and allotted or which are to be issued and allotted to meet all options granted under the GL ESOS 2008, shall not exceed 10% of the issued share capital of GL as at the GGL Approval Date. As at the date of this report, the total number of new GL Shares available for issue under GL ESOS 2008 is 136,806,363, which represents 10% of the issued share capital of GL.

The maximum entitlement of any participant in respect of the new GL shares issued and allotted and to be issued and allotted upon the exercise of options granted in any 12-month period shall not exceed 1% of the share capital of GL in issue as at the date of such grant.

The grant of an option to a participant shall be accepted within 30 days from the date on which such option is granted accompanied by a payment of S$1 as consideration.

The exercise price per GL share shall be a price equal to the 5-day weighted average market price of GL shares immediately prior to the date of grant of the relevant option for which there was trading in the GL shares. An option shall be exercisable within such period commencing on the date after (a) the second anniversary of the date of grant (for participants who have been employed for less than one year) and (b) the first anniversary of the date of grant (for all other participants) and ending on a date not later than 10 years after the date of grant.

The GL ESOS 2008 shall continue to be in force at the discretion of the RC, subject to a maximum period of 10 years commencing from the GGL Approval Date (i.e. 20 November 2018).

As at 1 July 2014, options have been granted under the GL ESOS 2008 in respect of 70,400,000 GL shares. Options in respect of 12,000,000 GL shares lapsed during the financial year ended 30 June 2015. No options were granted nor exercised during the financial year ended 30 June 2015.

SHARE OPTIONS (cont'd)

GuocoLeisure Limited ("GL") (cont'd)

The GuocoLeisure Limited Executives' Share Option Scheme 2008 (the "GL ESOS 2008") (cont'd)

Details of the said options are as follows:

Grantees	Date of grant	No. of GL shares comprised in options As at 1 Jul 2014	 Lapsed during the year	 As at 30 Jun 2015	Note	Exercise price per GL share
Director						
Premod Paul Thomas (retired on 1 August 2014)	13 May 2013	5,000,000	5,000,000	–		S$0.86
Michael DeNoma	13 May 2013	25,000,000	–	25,000,000	1 & 2	S$0.86
Others						
Other employees	13 May 2013	40,400,000	7,000,000	33,400,000	2	S$0.86
		70,400,000	12,000,000	58,400,000		

Notes:

1. Mr Michael DeNoma is an option holder under Rule 17.07(ii) of the Listing Rules.

2. The options that were granted on 13 May 2013 will vest in 2 tranches:

   i. The first tranche of up to 35% of the relevant GL shares will vest at the end of the financial year ending 30 June 2016 upon achievement of applicable performance targets; and

   ii. The second tranche of up to 65% of the relevant GL shares will vest within 3 months after the end of the financial year ending 30 June 2019 upon achievement of applicable performance targets.

   Each tranche, once vested, is exercisable as follows:

   a. 40% of that tranche is exercisable within 6 months from vesting date;

   b. 40% of that tranche is exercisable from the commencement of the 13th month to the end of the 18th month from vesting date; and

   c. 20% of that tranche is exercisable from the commencement of the 25th month to the end of the 30th month from vesting date.

SHARE OPTIONS (cont'd)

GuocoLand (Malaysia) Berhad ("GLM")

Executive Share Scheme (the "GLM ESS")

The Executive Share Option Scheme of GLM (the "GLM ESOS") was approved by the shareholders of GLM on 11 October 2011 and further approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 25 November 2011 (the "Approval Date"). The GLM ESOS which took effect on 21 March 2012 (the "Effective Date") allows the grant of options over newly issued and/or existing shares of GLM to eligible executives and/or directors of GLM and its subsidiaries (the "Eligible Participants"). It provides an opportunity for the Eligible Participants who have contributed to the growth and development of the GLM and its subsidiaries to participate in the equity of GLM.

The shareholders of GLM and the Company had subsequently on 21 October 2013 and 19 November 2013 respectively, approved the amendments to the Bye-Laws of the GLM ESOS to incorporate an executive share grant scheme (the "GLM ESGS"). While the GLM ESGS is not subject to Chapter 17 of the Listing Rules, the GLM ESOS remains in compliance with the said Listing Rules. The GLM ESGS together with the GLM ESOS have been combined and renamed as the GLM ESS.

The number of GLM shares over which the GLM Board may grant options under the GLM ESOS and any other executive share option schemes shall not in aggregate exceed 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of GLM from time to time provided that the total number of new GLM shares which may be issued upon exercise of options to be granted under the GLM ESOS shall not exceed 10% of the issued and paid-up ordinary share capital of GLM as at the Approval Date. Accordingly, the maximum number of new GLM shares available for issue over which options under the GLM ESOS may be granted is 70,045,851, which represents approximately 10% of the issued and paid-up ordinary share capital of GLM as at the date of this report.

The maximum entitlement of any participant in respect of the total number of new GLM shares issued and to be issued upon the exercise of options granted in any 12-month period shall not exceed 1% in nominal value of the issued and paid-up ordinary share capital of GLM as at any date of grant.

The grant of an option to a participant shall be accepted within 30 days from such date of offer (or such longer period of time as may be permitted by the GLM Board at its discretion) accompanied by a payment of RM1 as non-refundable consideration.

The GLM Board may at its discretion determine the exercise price for each GLM share provided that such exercise price so fixed shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of GLM shares preceding the date of offer and shall in no event be less than the par value of the GLM shares. An option shall be exercisable during the option period which shall be determined by the GLM Board provided that such period shall not be more than 10 years from the Effective Date.

The GLM ESOS shall continue to be in force for a period of 10 years commencing from the Effective Date till 20 March 2022.

Since the establishment up to 30 June 2015, no options had been granted pursuant to the GLM ESOS.

Save for above, certain other subsidiaries of Hong Leong Company (Malaysia) Berhad maintain share option schemes or plans which subsisted at the end of the year or at any time during the year, under which eligible directors of the Company may be granted share options for acquisition of shares of respective companies concerned. No person, being a director of the Company during the year, held shares acquired in pursuance of certain aforesaid share option schemes or plans.

Apart from the above, at no time during the year was the Company, its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 30 June 2015, other than the interests and short positions of the directors of the Company disclosed above, the persons who had interests or short positions in the shares and underlying shares of 5% or more in the Company's issued share capital as recorded in the register maintained by the Company under Section 336 of the SFO are as follows.

Shareholders	Capacity	Number of shares/ underlying shares	Notes	Approx. % of the issued share capital
Hong Leong Company (Malaysia) Berhad ("HLCM")	Interest of controlled corporations	248,825,792 (Long Position)	1 & 2	75.62%
HL Holdings Sdn Bhd ("HLH")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 3	75.62%
Hong Leong Investment Holdings Pte Ltd ("HLInvt")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 4	75.62%
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 5	75.62%
Kwek Leng Kee ("KLK")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 6	75.62%
Elliott Capital Advisors, L.P. ("ECA")	Interest of controlled corporations	29,635,716 (Long Position)	7	9.01%
First Eagle Investment Management, LLC ("FEIM")	Investment Manager	23,042,704 (Long Position)	8	7.00%
Credit Suisse Group AG ("CS")	Interest of controlled corporations	20,408,099 (Long Position)	9	6.20%
		2,084 (Short Position)		0.00%

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS (cont'd)

Notes:

1. These interests comprised 240,551,792 ordinary shares of the Company and 8,274,000 underlying shares of other unlisted cash settled derivatives.

   These interests comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	236,524,930
GuoLine Capital Limited ("GCL")	8,274,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	4,026,862

   AFCW was wholly owned by Guoco Management Company Limited which in turn was wholly owned by the Company. The Company was 71.88% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which in turn was wholly owned by HLCM.

2. The interests of HLCM, HLH, HLInvt, Davos and KLK are duplicated.

3. HLH was deemed to be interested in these interests through its controlling interests in HLCM which was 49.27% owned by Mr Quek Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly owned by him and 0.311% via Newton (L) Limited.

4. HLInvt was deemed to be interested in these interests through its controlling interests of 34.69% in HLCM.

5. Davos was deemed to be interested in these interests through its controlling interests of 33.59% in HLInvt.

6. KLK was deemed to be interested in these interests through his controlling interests of 41.92% in Davos.

7. ECA is deemed to be interested in these interests comprising 19,263,215 shares held by Elliott International L.P. ("EILP") and 10,372,501 shares held by The Liverpool Limited Partnership ("LLP"). EILP is 100% controlled by Hambledon Inc. which in turn is 100% controlled by ECA. LLP is 100% controlled by Liverpool Associates, Ltd. which in turn is 100% controlled by Elliott Associates, L.P. which is 100% controlled by ECA.

8. FEIM was deemed to be interested in these interests held by various management accounts and funds controlled by it. The Company was subsequently notified by FEIM that, as at 30 June 2015, FEIM was deemed to be interested in 23,556,856 shares of the Company (held by various management accounts and funds controlled by it, representing approximately 7.16% of the total issued share capital of the Company.

9. These interests comprised (i) long position in 20,407,499 shares and 600 underlying shares of phscially settled unlisted derivatives; and (ii) short position in 1,000 shares and 1,084 underlying shares of physically settled unlisted derivatives. Among these interests, 277,600 shares (long position) and 1,084 underlying shares (short position) were directly held by Credit Suisse Securities (USA) LLC and 20,130,499 shares (long position) were directly held by Credit Suisse Securities (Europe) Limited, both indirect wholly owned subsidiaries of CS. CS was therefore deemed to be interested in these interests.

Save as disclosed above, as at 30 June 2015, the Company had not been notified by any person (other than the directors of the Company) who had interests or short positions in the shares or underlying shares of the Company of 5% or more which should be disclosed pursuant to the Part XV of the SFO or as recorded in the register maintained by the Company under Section 336 of the SFO.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

Continuing Connected Transactions

Master Services Agreements

The following master services agreements dated 2 July 2014 were entered into by the Company (together with its subsidiaries, the "Group") with certain Hong Leong group companies for the provision by the latter of management services including overview of businesses and operations, investment management and financial management disciplines, treasury and risk management, key managerial recruitment and retention, as well as other operating practices and procedures, accounting, corporate advisory, legal, company secretarial and other services (the "Services"):

1. the master services agreement entered into by the Company with GuoLine Group Management Co. Limited ("GGMC") and GOMC Limited ("GOMC") for provision of the Services by GGMC or GOMC to the Company and/or the subsidiaries of the Company from time to time excluding those subsidiaries which are from time to time incorporated, resident or having principal place of business in Malaysia ("Malaysian Subsidiaries") (hereinafter referred to as "GGMC/GOMC Agreement"); and

2. the master services agreement entered into by the Company with HL Management Co Sdn Bhd ("HLMC") for provision of the Services by HLMC to the Malaysian Subsidiaries (hereinafter referred to as "HLMC Agreement"),

(collectively, the "Master Services Agreements").

The Master Services Agreements are for a term of three financial years from 1 July 2014 to 30 June 2017.

The fees payable under the respective Master Services Agreements comprise a monthly fee (the "Monthly Fee") as agreed from time to time between the Company or such service recipient and the relevant service provider and an annual fee (the "Annual Fee") equal to three per cent of the annual profit before tax of such service recipient as shown in its audited profit and loss account for the relevant financial year, subject to appropriate adjustment (for example, to avoid double counting of profit), if any.

The total fees, being the sum of the Monthly Fee, the Annual Fee and the total amount of any fees paid or payable by the Group to any Hong Leong Group company for services of a similar nature as the Services, are subject to an annual cap of HK$475,000,000 (the "Annual Cap") for each of the three financial years ended 30 June 2017.

Mr Quek Leng Chan, the Chairman of the Company, is deemed a controlling shareholder of Hong Leong Company (Malaysia) Berhad ("HLCM") and the Company. GGMC, GOMC and HLMC are indirect wholly-owned subsidiaries of HLCM and thus they are associates of connected person of the Company under the Listing Rules. The Master Services Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

Master Services Agreements (cont'd)

The independent non-executive directors of the Company had reviewed the transactions under the Master Services Agreements during the year and confirmed that:

a. the transactions under the Master Services Agreements for the year were entered into:

   – in the ordinary and usual course of business of the Group;

   – on normal commercial terms; and

   – in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

b. the total services fees paid and payable by the Group under the respective Master Services Agreements for the year were as follows:

	Services fees paid and payable by the Group HK$'000
GGMC/GOMC Agreement	133,173
HLMC Agreement	8,347
Total:	141,520
	(<HK$475 million)

The aggregate services fees paid and payable by the Group under the Master Services Agreements for the year amounted to approximately HK$141.5 million which did not exceed the Annual Cap of HK$475 million as disclosed in the Company's announcement dated 3 July 2014.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

Banking Transactions

The Group has from time to time entered into, and may in future enter into, among others, the following transactions with the authorised financial institutions within Hong Leong Group from time to time during the year including Hong Leong Bank Berhad, Hong Leong Islamic Bank Berhad, Hong Leong Bank Vietnam Limited and Hong Leong Investment Bank Berhad (collectively, "Hong Leong Financial Institutions"):

1. placing of deposits by the Group with Hong Leong Financial Institutions; and

2. purchase of and/or subscription for debt securities issued by Hong Leong Financial Institutions by the Group,

(collectively, the "Banking Transactions").

The Banking Transactions are part of the treasury activities of the Group in the ordinary and usual course of its business. The treasury functions involve the management of cashflows and cash resources which the Group conducts with various financial institutions.

Hong Leong Financial Institutions are associates of connected person (as defined under the Listing Rules) of the Company by virtue of the fact that they are indirect subsidiaries of HLCM, an indirect controlling shareholder of the Company. Mr Quek Leng Chan, the Chairman of the Company, is deemed a controlling shareholder of HLCM and the Company. The Banking Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

From time to time during the year, the Group entered into deposit transactions which involved placing of deposits (including savings, current and other deposits in various currencies) with Hong Leong Financial Institutions as the deposit accepting banks (the "Deposit Transactions"). The Deposit Transactions were based on the relevant market rates at the time of each transaction and are broadly the same as those engaged by the Group with other unconnected financial institutions. The interest rate for the savings and time deposits for various currencies placed by the Group with the Hong Leong Financial Institutions ranged from 0.05% to 6.3% per annum. The tenor of the time deposits ranged from overnight to 6 months. As at 30 June 2015, the balance of deposits placed by the Group with Hong Leong Financial Institutions was approximately US$28.6 million.

The independent non-executive directors of the Company had reviewed the Banking Transactions during the year and confirmed that:

a. during the year, there is no subscription for or purchase by the Group of debt securities issued by Hong Leong Financial Institutions;

b. during the year, the maximum aggregate outstanding balance of deposits placed by the Group with Hong Leong Financial Institutions was approximately US$100.9 million which did not exceed the cap amount of US$120 million or its equivalent as disclosed in the announcement of the Company dated 29 June 2012; and

c. the Deposit Transactions were entered into:

   – in the ordinary and usual course of business of the Group;

   – on normal commercial terms; and

   – in accordance with the relevant documents governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

Auditor's Review

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions as mentioned above in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 66 to 68 of this Annual Report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor letter has been provided by the Company to the Stock Exchange.

Connected Transaction

Sale of Property Units

On 24 November 2014, PJ Corporate Park Sdn Bhd, a wholly owned subsidiary of GuocoLand (Malaysia) Berhad which in turn is an indirect listed subsidiary of the Company, as vendor, entered into a letter of offer (the "Letter of Offer") with HLMG Realty Sdn Bhd ("HLMG Realty"), as purchaser, in respect of the sale and purchase of 12 property units (collectively the "Property Units" and individually the "Property Unit") with a total floor area of approximately 9,500 square meters, located in a commercial building known as Block D, PJ City Phase 2 to be constructed on part of a land situated at Petaling Jaya, Selangor, Malaysia.

The aggregate consideration for the sale and purchase of the Property Units (the "Transaction") was RM63,322,000 (the "Consideration") and was paid and payable in the following manner:

(1) an earnest deposit of RM1,266,000 (the "Earnest Deposit"), equivalent to 2% of the Consideration, was been paid to the Vendor upon acceptance of the Letter of Offer;

(2) a deposit equivalent to 10% of the Consideration (inclusive of the Earnest Deposit) would be payable to the Vendor upon the execution of the sale and purchase agreements in respect of the Property Units;

(3) 80% of the purchase price of each Property Unit would be payable by 9 stages upon satisfaction of the condition precedent of the Transaction and based on the progress of construction of each Property Unit; and

(4) 10% of the purchase price of each Property Unit would be payable on the date the Vendor issues notice to the Purchaser to take vacant possession of the Property Unit with a certificate of completion and compliance.

HLMG Realty is an associate of connected persons (as defined under the Listing Rules) of the Company by virtue of the fact that it is an indirect subsidiary of HLCM, an indirect controlling shareholder of the Company. Mr Quek Leng Chan, the Chairman of the Company, is deemed a controlling shareholder of HLCM and the Company. The Transaction constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Others

During the year, the Group regularly conducts investment, insurance, stockbroking, nominee, custodian, share registration, lease of premises, management and administrative services as well as other activities in the ordinary course of business and on normal commercial terms with subsidiaries of, and companies related to, HLCM.

As Mr Quek Leng Chan and his associate own 5% or more of the issued shares of HLCM, he is deemed interested in the aforesaid transactions pursuant to the Bye-Laws of the Company.

Apart from the above, no transaction, arrangement or contract of significance, in which a director of the Company or an entity connected with a director had a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Messrs Quek Leng Chan, Kwek Leng Hai and Kwek Leng San are directors of HLCM, the ultimate holding company of the Company, which is a conglomerate based in Malaysia with diversified businesses in banking and financial services, manufacturing and distribution, property development and investment as well as hospitality and leisure.

The above directors are considered as having interests in business apart from the Group's business, which is likely to compete, directly or indirectly, with the Group's business under Rule 8.10 of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the Company maintained sufficient public float at all times during the year.

AUDITOR

A resolution for the re-appointment of KPMG as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

Kwek Leng Hai
President, CEO

Hong Kong, 28 August 2015

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GUOCO GROUP LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Guoco Group Limited (the "Company") and its subsidiaries (together "the Group") set out on pages 72 to 177, which comprise the consolidated and company statements of financial position as at 30 June 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2015 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 August 2015

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	**2015 US$'000**	2014 US$'000	**2015 HK$'000 (Note 1(c))**	2014 HK$'000 (Note 1(c))
Turnover	5	**4,356,357**	4,645,030	**33,770,697**	36,002,466
Revenue	5	**2,805,435**	2,751,100	**21,747,872**	21,323,088
Cost of sales		**(1,523,551)**	(1,583,062)	**(11,810,644)**	(12,269,918)
Other attributable costs		**(40,076)**	(31,048)	**(310,671)**	(240,645)
		1,241,808	1,136,990	**9,626,557**	8,812,525
Other revenue	6(a)	**54,384**	62,511	**421,587**	484,507
Other net income	6(b)	**207,525**	400,461	**1,608,744**	3,103,873
Administrative and other operating expenses		**(670,182)**	(735,925)	**(5,195,284)**	(5,703,970)
Profit from operations before finance costs		**833,535**	864,037	**6,461,604**	6,696,935
Finance costs	7(a)	**(132,278)**	(165,468)	**(1,025,426)**	(1,282,501)
Profit from operations	14	**701,257**	698,569	**5,436,178**	5,414,434
Valuation surplus on investment properties	15	**55,277**	102,243	**428,510**	792,460
Share of profits of associates and joint ventures	7(c)	**119,993**	148,496	**930,192**	1,150,955
Profit for the year before taxation	7	**876,527**	949,308	**6,794,880**	7,357,849
Tax expenses	8(a)	**(117,150)**	(69,470)	**(908,153)**	(538,445)
Profit for the year		**759,377**	879,838	**5,886,727**	6,819,404
Attributable to:					
Equity shareholders of the Company	11	**596,590**	742,151	**4,624,794**	5,752,227
Non-controlling interests		**162,787**	137,687	**1,261,933**	1,067,177
Profit for the year		**759,377**	879,838	**5,886,727**	6,819,404
Earnings per share		**US$**	US$	**HK$**	HK$
Basic	13	**1.84**	2.28	**14.23**	17.70
Diluted	13	**1.84**	2.28	**14.23**	17.70

The notes on pages 81 to 177 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 12.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	2015 US$'000	2014 US$'000	2015 HK$'000 (Note 1(c))	2014 HK$'000 (Note 1(c))
Profit for the year	**759,377**	879,838	**5,886,727**	6,819,404
Other comprehensive income for the year (after tax and reclassification adjustments)				
Items that will not be reclassified to profit or loss:				
Actuarial gains/(losses) on defined benefit obligation	**1,561**	(3,954)	**12,101**	(30,646)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	**(426,710)**	165,989	**(3,307,877)**	1,286,539
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	**45,440**	367	**352,253**	2,845
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	**(5,968)**	(2,305)	**(46,264)**	(17,865)
Exchange translation reserve reclassified to profit or loss upon deemed disposal of associate	**(2,028)**	–	**(15,721)**	–
Release of reserves upon liquidation of subsidiaries	**(11,419)**	–	**(88,521)**	–
Changes in fair value of cash flow hedge	**(2,901)**	–	**(22,489)**	–
Changes in fair value of available-for-sale financial assets	**112,551**	224,334	**872,501**	1,738,757
Transfer to profit or loss on disposal of available-for-sale financial assets	**10,491**	(16,108)	**81,327**	(124,849)
Share of other comprehensive income of associates	**18,505**	8,865	**143,452**	68,710
	(262,039)	381,142	**(2,031,339)**	2,954,137
Other comprehensive income for the year, net of tax	**(260,478)**	377,188	**(2,019,238)**	2,923,491
Total comprehensive income for the year	**498,899**	1,257,026	**3,867,489**	9,742,895
Total comprehensive income for the year attributable to:				
Equity shareholders of the Company	**450,487**	1,072,106	**3,492,197**	8,309,626
Non-controlling interests	**48,412**	184,920	**375,292**	1,433,269
	498,899	1,257,026	**3,867,489**	9,742,895

The notes on pages 81 to 177 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2015

	Note	2015 US$'000	2014 US$'000	2015 HK$'000 (Note 1(c))	2014 HK$'000 (Note 1(c))
NON-CURRENT ASSETS					
Fixed assets					
– Investment properties	15	**1,897,367**	1,896,005	**14,708,484**	14,695,461
– Other property, plant and equipment	15	**1,877,727**	1,996,581	**14,556,234**	15,475,000
Interest in associates and joint ventures	18	**947,119**	1,037,393	**7,342,114**	8,040,574
Available-for-sale financial assets	20	**1,778,554**	1,809,851	**13,787,439**	14,027,703
Intangible assets	16	**1,166,136**	1,269,221	**9,039,945**	9,837,415
Goodwill	21	**166,330**	180,062	**1,289,398**	1,395,616
Pensions surplus	30	**10,346**	–	**80,203**	–
		7,843,579	8,189,113	**60,803,817**	63,471,769
CURRENT ASSETS					
Development properties	22	**3,206,017**	3,577,600	**24,853,204**	27,729,083
Properties held for sale	23	**1,019,897**	486,687	**7,906,293**	3,772,189
Trade and other receivables	24	**714,134**	705,718	**5,536,002**	5,469,844
Trading financial assets	25	**973,865**	1,844,269	**7,549,450**	14,294,468
Cash and short term funds	26	**2,641,545**	1,807,134	**20,477,389**	14,006,644
Assets held for sale	27	**112,346**	–	**870,912**	–
		8,667,804	8,421,408	**67,193,250**	65,272,228
CURRENT LIABILITIES					
Trade and other payables	28	**856,186**	772,179	**6,637,198**	5,984,966
Bank loans and other borrowings	29	**1,558,053**	2,440,712	**12,078,105**	18,917,349
Taxation	8(d)	**143,524**	116,463	**1,112,605**	902,676
Provisions and other liabilities	30	**16,992**	19,154	**131,723**	148,458
Liabilities held for sale	27	**73,264**	–	**567,946**	–
		2,648,019	3,348,508	**20,527,577**	25,953,449
NET CURRENT ASSETS		**6,019,785**	5,072,900	**46,665,673**	39,318,779
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,863,364**	13,262,013	**107,469,490**	102,790,548

	Note	2015 US$'000	2014 US$'000	2015 HK$'000 (Note 1(c))	2014 HK$'000 (Note 1(c))
NON-CURRENT LIABILITIES					
Bank loans and other borrowings	29	**4,132,176**	3,824,853	**32,032,835**	29,645,479
Amount due to non-controlling interests		**125,189**	115,686	**970,471**	896,653
Provisions and other liabilities	30	**79,748**	90,822	**618,210**	703,939
Deferred tax liabilities	31	**68,334**	62,552	**529,729**	484,825
		4,405,447	4,093,913	**34,151,245**	31,730,896
NET ASSETS		**9,457,917**	9,168,100	**73,318,245**	71,059,652
CAPITAL AND RESERVES					
Share capital	32(c)	**164,526**	164,526	**1,275,414**	1,275,200
Reserves		**7,374,010**	7,092,078	**57,163,694**	54,968,924
Total equity attributable to equity shareholders of the Company		**7,538,536**	7,256,604	**58,439,108**	56,244,124
Non-controlling interests		**1,919,381**	1,911,496	**14,879,137**	14,815,528
TOTAL EQUITY		**9,457,917**	9,168,100	**73,318,245**	71,059,652

Approved and authorised for issue by the Board of Directors on 28 August 2015

Kwek Leng Hai
Tan Lim Heng
Directors

The notes on pages 81 to 177 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	Note	2015 US$'000	2014 US$'000	2015 HK$'000 (Note 1(c))	2014 HK$'000 (Note 1(c))
NON-CURRENT ASSETS					
Interest in subsidiaries	17	**2,551,957**	2,821,312	**19,782,898**	21,867,284
Available-for-sale financial assets	20	**203**	203	**1,574**	1,573
		2,552,160	2,821,515	**19,784,472**	21,868,857
CURRENT ASSETS					
Trade and other receivables	24	**5,360**	2,113	**41,551**	16,377
Cash and short term funds	26	**1,478,146**	1,020,388	**11,458,662**	7,908,772
		1,483,506	1,022,501	**11,500,213**	7,925,149
CURRENT LIABILITIES					
Amounts due to subsidiaries	17	**301,960**	175,882	**2,340,809**	1,363,217
Trade and other payables	28	**8,223**	686	**63,745**	5,317
		310,183	176,568	**2,404,554**	1,368,534
NET CURRENT ASSETS		**1,173,323**	845,933	**9,095,659**	6,556,615
NET ASSETS		**3,725,483**	3,667,448	**28,880,131**	28,425,472
CAPITAL AND RESERVES					
Share capital	32	**164,526**	164,526	**1,275,414**	1,275,200
Reserves	32	**3,560,957**	3,502,922	**27,604,717**	27,150,272
TOTAL EQUITY		**3,725,483**	3,667,448	**28,880,131**	28,425,472

Approved and authorised for issue by the Board of Directors on 28 August 2015

Kwek Leng Hai
Tan Lim Heng
Directors

The notes on pages 81 to 177 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Attributable to the equity shareholders of the Company													
	Share capital US$'000	Share premium US$'000	Capital and other reserves US$'000	Contributed surplus US$'000	ESOS reserve US$'000	Share option reserve US$'000	Exchange translation reserve US$'000	Fair value reserve US$'000	Hedging reserve US$'000	Revaluation reserve US$'000	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 July 2014	164,526	10,493	4,446	2,544	(41,100)	(505)	305,788	365,298	-	9,035	6,436,079	7,256,604	1,911,496	9,168,100
Profit for the year	-	-	-	-	-	-	-	-	-	-	596,590	596,590	162,787	759,377
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	9,550	-	7	96	(292,527)	(129)	-	(309)	-	(283,312)	(143,398)	(426,710)
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	-	-	-	-	-	-	12,795	-	-	-	-	12,795	32,645	45,440
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	-	-	-	-	-	-	(3,894)	-	-	-	-	(3,894)	(2,074)	(5,968)
Exchange translation reserve reclassified to profit or loss upon deemed disposal of associate	-	-	-	-	-	-	(1,323)	-	-	-	-	(1,323)	(705)	(2,028)
Release of reserves upon liquidation of subsidiaries	-	-	-	-	-	-	(11,419)	-	-	-	-	(11,419)	-	(11,419)
Changes in fair value of cash flow hedge	-	-	-	-	-	-	-	-	(1,930)	-	-	(1,930)	(971)	(2,901)
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	112,870	-	-	-	112,870	(319)	112,551
Transfer to profit or loss on disposal of available-for-sale financial assets	-	-	-	-	-	-	-	10,459	-	-	-	10,459	32	10,491
Actuarial gains on defined benefit obligation	-	-	-	-	-	-	-	-	-	-	1,146	1,146	415	1,561
Share of other comprehensive income of associates	-	-	330	-	-	-	22,617	(7,856)	7	-	3,407	18,505	-	18,505
Total comprehensive income for the year	-	-	9,880	-	7	96	(273,751)	115,344	(1,923)	(309)	601,143	450,487	48,412	498,899
Transfer between reserves	-	-	60,680	-	-	-	-	-	-	-	(60,680)	-	-	-
Equity-settled share-based transactions	-	-	-	-	-	1,347	-	-	-	-	-	1,347	970	2,317
Purchase of own shares for share option scheme by a subsidiary	-	-	(2,633)	-	-	-	-	-	-	-	-	(2,633)	(1,324)	(3,957)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	207	207	(3,855)	(3,648)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	5,797	5,797
Disposal of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(2,898)	(2,898)
Distribution payment for perpetual securities	-	-	-	-	-	-	-	-	-	-	-	-	(4,714)	(4,714)
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(34,503)	(34,503)
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	-	(125,792)	(125,792)	-	(125,792)
Interim dividend paid in respect of the current year	-	-	-	-	-	-	-	-	-	-	(41,910)	(41,910)	-	(41,910)
Refund of unclaimed dividends	-	-	-	-	-	-	-	-	-	-	226	226	-	226
At 30 June 2015	164,526	10,493	72,373	2,544	(41,093)	938	32,037	480,642	(1,923)	8,726	6,809,273	7,538,536	1,919,381	9,457,917

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Attributable to the equity shareholders of the Company												
	Share capital US$'000	Share premium US$'000	Capital and other reserves US$'000	Contributed surplus US$'000	ESOS reserve US$'000	Share option reserve US$'000	Exchange translation reserve US$'000	Fair value reserve US$'000	Revaluation reserve US$'000	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 July 2013	164,526	10,493	(31,889)	2,544	(41,068)	(619)	186,483	154,713	8,987	6,063,753	6,517,923	1,537,605	8,055,528
Profit for the year	–	–	–	–	–	–	–	–	–	742,151	742,151	137,687	879,838
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	–	–	(1,477)	–	(32)	(105)	117,239	110	48	–	115,783	50,206	165,989
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	–	–	–	–	–	–	1,984	–	–	–	1,984	(1,617)	367
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	–	–	–	–	–	–	(1,504)	–	–	–	(1,504)	(801)	(2,305)
Changes in fair value of available-for-sale financial assets	–	–	–	–	–	–	–	223,838	–	–	223,838	496	224,334
Transfer to profit or loss on disposal of available-for-sale financial assets	–	–	–	–	–	–	–	(16,447)	–	–	(16,447)	339	(16,108)
Actuarial losses on defined benefit obligation	–	–	–	–	–	–	–	–	–	(2,564)	(2,564)	(1,390)	(3,954)
Share of other comprehensive income of associates	–	–	757	–	–	–	2,381	3,084	–	2,643	8,865	–	8,865
Total comprehensive income for the year	–	–	(720)	–	(32)	(105)	120,100	210,585	48	742,230	1,072,106	184,920	1,257,026
Transfer between reserves	–	–	38,313	–	–	–	–	–	–	(38,313)	–	–	–
Equity-settled share-based transactions	–	–	–	–	–	25	–	–	–	–	25	(401)	(376)
Purchase of own shares for share option scheme by a subsidiary	–	–	(1,258)	–	–	–	–	–	–	–	(1,258)	(632)	(1,890)
Partial disposal of interests in a subsidiary upon distribution of dividend in specie	–	–	–	–	–	194	(795)	–	–	(16,995)	(17,596)	230,012	212,416
Disposal of subsidiaries with non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(491)	(491)
Distribution payment for perpetual securities	–	–	–	–	–	–	–	–	–	–	–	(5,082)	(5,082)
Dividends paid to non-controlling interests by subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(34,435)	(34,435)
Special interim dividend paid in respect of the prior year	–	–	–	–	–	–	–	–	–	(209,816)	(209,816)	–	(209,816)
Final dividend paid in respect of the prior year	–	–	–	–	–	–	–	–	–	(62,882)	(62,882)	–	(62,882)
Interim dividend paid in respect of the current year	–	–	–	–	–	–	–	–	–	(41,898)	(41,898)	–	(41,898)
At 30 June 2014	164,526	10,493	4,446	2,544	(41,100)	(505)	305,788	365,298	9,035	6,436,079	7,256,604	1,911,496	9,168,100

The notes on pages 81 to 177 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 US$'000	2014 US$'000
Operating activities			
Profit for the year before taxation		876,527	949,308
Adjustments for:			
– Finance costs		132,278	165,468
– Interest income		(45,294)	(44,253)
– Dividend income		(109,468)	(138,658)
– Depreciation		88,688	93,174
– Amortisation of intangible assets		13,012	14,396
– Equity-settled share-based payment expenses		2,532	46
– Impairment loss recognised on other property, plant and equipment		1,828	11,558
– Impairment loss (reversed)/recognised on intangible assets		(4,053)	12,981
– Valuation surplus on investment properties		(55,277)	(102,243)
– Share of profits of associates and joint ventures		(119,993)	(148,496)
– Net losses on disposal of fixed assets		54	68
– Loss/(gain) on disposal of subsidiaries and associates		2,481	(78,520)
– Gain on liquidation of subsidiaries		(11,419)	–
Operating profit before changes in working capital		771,896	734,829
Increase in trade and other receivables		(74,526)	(80,619)
Decrease/(increase) in trading financial assets		870,194	(319,870)
Decrease in available-for-sale financial assets		205,320	26,915
(Increase)/decrease in development properties		(416,568)	318,616
Decrease in properties held for sale		237,949	81,810
Decrease in provisions and other liabilities		(12,854)	(22,017)
Increase/(decrease) in trade and other payables		134,070	(284,044)
Cash generated from operations		1,715,481	455,620
Interest received		46,073	40,147
Dividend received from equity investments		82,539	74,348
Taxation			
– Hong Kong Profits Tax paid		(463)	(9)
– Overseas tax paid		(65,978)	(112,744)
– Overseas tax refunded		–	8
Net cash generated from operating activities		1,777,652	457,370

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 US$'000	2014 US$'000
Investing activities			
Acquisition of subsidiary	33(b)	(8,589)	1,178
Net repayment from associates and joint ventures		2,159	1,403
Purchase of fixed assets		(90,674)	(109,136)
Additions in investment properties under development		(193,996)	(74,114)
Purchase of intangible assets		(16,525)	(13,248)
Acquisition of additional interest in subsidiary		(1,047)	–
Proceeds from disposal of subsidiaries	33(c)	14,369	196,001
Proceeds from disposal of associates		426	–
Proceeds from disposal of fixed assets		2,799	1,518
Dividends received from associates and joint ventures		31,325	41,461
Net cash (used in)/generated from investing activities		(259,753)	45,063
Financing activities			
Purchase of ordinary shares for share option schemes by a subsidiary		(3,957)	(1,890)
Net proceeds from/(repayment of) bank loans and other borrowings		15,240	(291,271)
Redemption of mortgage debenture stock by a subsidiary		(217,282)	–
Release of fixed deposit pledged		11,315	188,735
Distribution payment for perpetual securities		(4,714)	(5,082)
Loans from non-controlling interests of subsidiaries		13,255	6,047
Interest paid		(223,005)	(265,519)
Dividends paid to non-controlling interests by subsidiaries		(34,503)	(34,435)
Dividends paid to equity shareholders of the Company		(167,476)	(104,780)
Net cash used in financing activities		(611,127)	(508,195)
Net increase/(decrease) in cash and cash equivalents		906,772	(5,762)
Cash and cash equivalents at 1 July	26	1,531,983	1,613,211
Effect of foreign exchange rate changes		(60,552)	(75,466)
Cash and cash equivalents at 30 June	26	2,378,203	1,531,983

The notes on pages 81 to 177 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

(a) Statement of compliance

Although not required to do so under the Bye-Laws of the Company, these financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period, as permitted by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, continue to be those of the predecessor Companies Ordinance (Cap. 32).

These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis modified by the revaluation of investment properties and the marking to market of certain financial instruments as explained in the accounting policies set out below.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 2(v)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

1. BASIS OF PREPARATION (cont'd)

(c) Hong Kong dollar amounts

The Hong Kong dollar figures shown in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and statement of financial position are for information only. The Company's functional currency is United States dollars. The Hong Kong dollar figures are translated from United States dollars at the rates ruling at the respective financial year ends.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Interest income

– Interest income is recognised as it accrues using the effective interest method.

(ii) Dividends

– Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

– Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iii) Revenue arising from pre-sale of properties is recognised in the financial statements upon completion of the development of the property. Provision for foreseeable loss is made in the year in which such loss is determined.

(iv) Revenue arising from the disposal of other properties is recognised when substantially all the conditions of sales have been met and the risks and rewards of ownership have been transferred to the buyers.

(v) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

(vi) Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(vii) Commission and brokerage income in respect of trading securities is recognised on a trade date basis when the relevant transactions are executed.

(viii) Casino revenue represents the gaming win before deduction of gaming duty.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Investments

(i) Investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in notes 2(a)(i) and 2(a)(ii).

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses (see note 2(k)(i)).

Investments in securities which do not fall into any of the above categories are classified as available-for-sale financial assets. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(k)(i)). Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in notes 2(a)(ii) and 2(a)(i), respectively. Foreign exchange gains and losses resulting from changes in the amortised cost of debt securities are also recognised in profit or loss.

When the investments are derecognised or impaired (see note 2(k)(i)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

The fair value of financial instruments is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments, or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

(i) Investments in debt and equity securities (cont'd)

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(ii) Subsidiaries and non-controlling interests

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(l) or (n) depending on the nature of the liability.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

(ii) Subsidiaries and non-controlling interests (cont'd)

Non-controlling interests (cont'd)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(b)(i)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 2(b)(iii)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)).

(iii) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 2(d) and 2(k)(ii)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income, after adjusting, where necessary to ensure consistency with the Group's accounting policies.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

(iii) Associates and joint ventures (cont'd)

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(b)(i)).

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see note 2(k)(ii)).

(c) Derivative financial instruments and hedging activities

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 – 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Derivative financial instruments and hedging activities (cont'd)

When the hedged item is a non-financial asset, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the non-financial item affects profit or loss. In other cases as well, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

The gains or losses on the hedging instrument used to hedge a net investment in a foreign operation relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the income statement. The Group did not hold any hedging instrument to hedge its investments in foreign subsidiaries at the reporting dates.

(d) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(k)(ii)). In respect of associates or joint ventures, the carrying amount of goodwill is included in the carrying amount of the interest in the associate or joint venture and the investment as a whole is tested for impairment whenever there is objective evidence of impairment (see note 2(k)(i)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(k)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(f) Fixed assets and depreciation

(i) Properties are stated at cost less accumulated depreciation and impairment loss (see note 2(k)(ii)). Depreciation is calculated to write off the cost of the assets less their estimated residual value using the straight-line method over their estimated useful lives as follows:

- Freehold land is not depreciated.
- Building situated on freehold land are depreciated over their remaining useful economic lives (up to 100 years).
- Land held under operating leases and buildings thereon are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.

(ii) Furniture, fixtures and equipment are stated at cost less accumulated depreciation and impairment loss (see note 2(k)(ii)). Depreciation is calculated on a straight-line basis to write off the cost of the assets over their estimated useful lives, taken as being between 3 to 15 years.

(iii) Both the useful life of an asset and its residual value, if any, are reviewed annually.

(iv) Gain or loss arising from the retirement or disposal of an item of fixed assets is determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(h)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(a)(v).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(h)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(h).

(h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 2(g)); and

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Leased assets (cont'd)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(g)) or is held for sale (see note 2(i)).

(i) Properties held for sale

Properties held for sale are stated in the statement of financial position at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

(j) Development properties

Development properties are stated at the lower of cost and estimated net realisable value, net of progress billings. Land, related acquisition expenses, development expenditure, borrowing costs and other related expenditure are capitalised as part of the cost of development properties.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale financial assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

– For investments in associates and joint ventures accounted for under the equity method in the consolidated financial statements (see note 2(b)(iii)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(k)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(k)(ii).

– For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

– For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of assets (cont'd)

(i) Impairment of investments in debt and equity securities and other receivables (cont'd)

– For available-for-sale financial assets, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

– other property, plant and equipment (other than properties carried at revalued amounts);

– intangible assets;

– goodwill; and

– investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of assets (cont'd)

(ii) Impairment of other assets (cont'd)

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(k)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(u)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Perpetual securities

The perpetual securities do not have a maturity date and coupon payment is optional at the discretion of the Group. As the Group does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as equity.

Any distributions made are treated as dividends and directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, i.e. having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Income tax (cont'd)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income (see note 2(c)).

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into United States dollars at the average exchange rates for the year. Items presented in the statement of financial position, including goodwill arising on consolidation of foreign operations acquired, are translated into United States dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(s) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to the Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as expenses in profit or loss as incurred.

The Group also contributed to retirement schemes of its overseas subsidiaries in accordance with their respective requirements and the contributions thereto are charged to profit or loss for the year.

(ii) Defined benefit retirement plan obligations

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the future pension benefits to existing pensioners; those benefits are discounted to determine the present value and the fair value of any plan assets is deducted. The calculations are performed by a qualified actuary using the projected unit credit method. The discount rate is the yield at the reporting date on AAA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations.

The Group recognises all actuarial gains and losses arising from defined benefit plan in other comprehensive income and all expenses related to defined benefit plan in personnel expenses in income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Employee benefits (cont'd)

(iii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve with equity. The fair value is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(u) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Financial guarantees issued, provisions and contingent liabilities (cont'd)

(i) Financial guarantees issued (cont'd)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(u)(iii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2(u)(iii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 2(u)(iii).

(iii) Other provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(iv) Onerous contracts

The Group is a party to a number of leasehold property contracts. Provision has been made against those leases where the property is now vacant and the unavoidable costs under the lease exceed the economic benefit expected to be derived from potential sub-letting arrangements. Provision has also been made against leases where impairment testing has indicated that, after recognising an impairment charge, the estimated discounted cash flows derived from the property and its associated operations are insufficient to cover the unavoidable lease costs and the lease is therefore deemed onerous.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(v) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

(w) Related parties

(i) A person, or a close member of that person's family, is related to the group if that person:

(a) has control or joint control over the group;

(b) has significant influence over the group; or

(c) is a member of the key management personnel of the group or the group's parent.

(ii) An entity is related to the group if any of the following conditions applies:

(a) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The key assumptions concerning the future and the accounting estimates that have a significant effect on the carrying value of assets and liabilities in the statement of financial position and the profit or loss items are discussed below:

(a) Investment properties (note 15)

At 30 June 2015 and 2014, investment properties are stated at fair value based on the valuation performed by the independent professional valuers. The valuers have determined the fair value based on a method of valuation which involves certain estimates. In relying on the valuation report prepared by the valuers, management has reviewed the valuation including the assumptions and estimates adopted.

(b) Impairment of assets

The Group tests at least annually whether goodwill and other assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit has been determined based on value-in-use calculations. There are a number of assumptions and estimates involved in the calculations.

(c) Income taxes (notes 8 and 31)

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on its estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the period in which such determination is made.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(d) Equity-settled share-based transactions (note 35)

The Black-Scholes option pricing model was applied to estimate the fair value of share options granted by the Company and certain of its subsidiaries. This pricing model requires the input of highly subjective assumptions, including the volatility of share price. The changes in input assumptions can materially affect the fair value estimate.

(e) Defined benefit retirement plan obligations (note 34)

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future pension benefits to existing pensioners. Those benefits are discounted to determine the present value and the fair value of any plan assets is deducted. The calculations are performed by a qualified actuary using the projected unit credit method. The amount of the excess of the present value of each plan's liabilities over the fair value of that plan's assets is recognised in profit or loss upon notification to the Group.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

(f) Intangible assets – casino licences and brand names (note 16)

The valuation of the casino licences and brand names from the Group's acquisition of The Rank Group Plc ("Rank") in financial year 2010/11 and Gala Casino 1 Limited in financial year 2012/13 was based on a value-in-use model from future income expected to be received from the respective operations. There are a number of assumptions and estimates involved in the calculations.

4. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued certain revised HKFRSs and amendments to HKFRSs, which term collectively includes HKASs and Interpretations, that became effective for the current accounting period of the Group. The adoption of the revised standards, amendments and interpretations had no material impact on the results and financial position of the Group.

The Group has not applied any new/revised standard or interpretation that is not yet effective for the current accounting period (see note 43).

5. TURNOVER AND REVENUE

The principal activity of the Company is investment holding and investment management. The principal activities of the subsidiaries which materially affected the results or assets of the Group during the year include principal investment, property development and investment, hospitality and leisure, stock and commodities broking, bullion trading and corporate advisory services.

An analysis of the amount of each significant category of turnover and revenue from principal activities during the year is as follows:

	The Group	
	2015 US$'000	2014 US$'000
Revenue from sale of properties	**1,111,433**	997,725
Revenue from hospitality and leisure	**1,508,333**	1,544,702
Interest income		
– from listed securities	**212**	–
– others	**45,082**	44,253
Dividend income		
– from listed securities	**109,434**	131,664
– others	**34**	6,994
Rental income from properties	**18,018**	17,864
Securities commission and brokerage	**5,779**	4,949
Others	**7,110**	2,949
Revenue	**2,805,435**	2,751,100
Proceeds from sale of investments in securities	**1,550,922**	1,893,930
Turnover	**4,356,357**	4,645,030

6. OTHER REVENUE AND NET INCOME

(a) Other revenue

	The Group	
	2015 US$'000	2014 US$'000
Sublease income	**6,026**	5,944
Bass Strait oil and gas royalty	**31,723**	41,528
Hotel management fee	**6,094**	6,801
Income from forfeiture of deposit from sale of properties	**930**	2,568
Others	**9,611**	5,670
	54,384	62,511

6. OTHER REVENUE AND NET INCOME (cont'd)

(b) Other net income

	The Group	
	2015 US$'000	2014 US$'000
Net realised and unrealised gains on trading financial assets	104,977	290,573
Net realised and unrealised (losses)/gains on derivative financial instruments	(187)	7,164
Net realised gains on disposal of available-for-sale financial assets	88,203	20,861
Net gains on foreign exchange contracts	59,213	9,327
Other exchange losses	(58,107)	(7,022)
Net losses on disposal of fixed assets	(54)	(68)
(Loss)/gain on disposal of subsidiaries and associates	(2,481)	78,520
Gain on liquidation of subsidiaries	11,419	–
Other income	4,542	1,106
	207,525	400,461

7. PROFIT FOR THE YEAR BEFORE TAXATION

Profit for the year before taxation is arrived at after charging/(crediting):

(a) Finance costs

	The Group	
	2015 US$'000	2014 US$'000
Interest on bank advances and other borrowings wholly repayable within five years	206,897	222,224
Other borrowing costs	16,097	21,323
Total borrowing costs	222,994	243,547
Less: borrowing costs capitalised into:		
– development properties	(49,734)	(42,705)
– investment properties	(4,356)	(31,637)
– other property, plant and equipment	(36,626)	(3,737)
Total borrowing costs capitalised (Note)	(90,716)	(78,079)
	132,278	165,468

Note: These borrowing costs have been capitalised at rates of 1.57% to 8.00% per annum (2014: 1.73% to 7.56%).

7. PROFIT FOR THE YEAR BEFORE TAXATION (cont'd)

(b) Staff cost

	The Group	
	2015 US$'000	2014 US$'000
Contributions to defined contribution retirement plans	**11,277**	12,934
Expenses recognised in respect of defined benefit retirement plans	**889**	616
Total retirement costs	**12,166**	13,550
Equity-settled share-based payment expenses	**2,532**	46
Salaries, wages and other benefits	**491,618**	501,970
	506,316	515,566

(c) Other items

	The Group	
	2015 US$'000	2014 US$'000
Depreciation	**88,688**	93,174
Impairment losses recognised/(reversed)		
– other property, plant and equipment	**1,828**	11,558
– intangible assets	**(4,053)**	12,981
Amortisation		
– casino licences and brand names	**1,438**	1,315
– Bass Strait oil and gas royalty	**3,563**	3,930
– other intangible assets	**8,011**	9,151
Operating lease charges		
– properties	**78,214**	84,540
– others	**6,168**	6,056
Auditors' remuneration		
– audit services	**2,137**	2,267
– tax services	**168**	339
– other services	**152**	231
Donations	**984**	729
Gross rental income from investment properties	**(18,018)**	(17,864)
Less: direct outgoings	**4,813**	4,967
Net rental income	**(13,205)**	(12,897)
Share of (profits)/losses of associates and joint ventures:		
– listed associates	**(121,301)**	(134,925)
– unlisted associates	**(168)**	(4,740)
	(121,469)	(139,665)
– unlisted joint ventures	**1,476**	(8,831)
	(119,993)	(148,496)

8. TAX EXPENSES

(a) Tax expenses in the consolidated income statement represent:

	The Group	
	2015 US$'000	2014 US$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	**36,019**	333
Over-provision in respect of prior years	**(2)**	(1)
	36,017	332
Current tax – Overseas		
Provision for the year	**101,460**	66,122
Over-provision in respect of prior years	**(29,576)**	(19,520)
	71,884	46,602
Deferred tax		
Origination and reversal of temporary differences	**7,748**	29,776
Utilisation of deferred tax asset in relation to tax losses	**1,816**	535
Effect of changes in tax rate on deferred tax balances	**(315)**	(7,775)
	9,249	22,536
	117,150	69,470

The provision for Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the year ended 30 June 2015. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

8. TAX EXPENSES (cont'd)

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

	The Group	
	2015 US$'000	2014 US$'000
Profit before tax	876,527	949,308
Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	157,523	167,259
Tax effect of non-deductible expenses	47,763	26,459
Tax effect of non-taxable revenue	(59,618)	(104,440)
Tax effect of unused tax losses not recognised	125	11,187
Tax effect of utilisation of tax losses not previously recognised	(2,925)	(6,407)
Tax effect of changes in tax rate on deferred tax balances	(315)	(7,775)
Over-provision in respect of prior years	(29,578)	(19,521)
Others	4,175	2,708
Actual tax expenses	117,150	69,470

(c) Tax effects relating to the components of other comprehensive income:

The net tax effects relating to the components of other comprehensive income were insignificant for disclosure purposes for the years ended 30 June 2015 and 2014.

(d) Taxation in the statement of financial position represents:

	The Group	
	2015 US$'000	2014 US$'000
Hong Kong Profits Tax	36,090	521
Overseas taxation	107,434	115,942
Taxation payable	143,524	116,463
Amount of taxation payable expected to be settled after more than 1 year	2,148	103

9. DIRECTORS' REMUNERATION

Directors' emoluments comprise payments to Directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The amounts paid and payable to each Director of the Company for the year ended 30 June 2015 are as below:

	The Group				
Name	Fees US$'000	Salaries, allowances and benefits in kind US$'000	Discretionary bonuses US$'000	Pension contributions US$'000	Total emoluments US$'000
2015					
Quek Leng Chan *	–[(1)]	–	–	–	–
Kwek Leng Hai	–[(1)]	1,443	4,935	124	6,502
Kwek Leng San *	–[(1)]	–	–	–	–
Tan Lim Heng *[(2)]	28	288	13	–	329
Volker Stoeckel **	54	–	–	–	54
Roderic N. A. Sage **	57	–	–	–	57
David Michael Norman **	48	–	–	–	48
	187	1,731	4,948	124	6,990
2014					
Quek Leng Chan *	–[(1)]	–	–	–	–
Kwek Leng Hai	–[(1)]	1,230	4,609	104	5,943
Kwek Leng San *	–[(1)]	–	–	–	–
Tan Lim Heng	–[(1)]	417	13	–	430
Volker Stoeckel **	54	–	–	–	54
Roderic N. A. Sage **	57	–	–	–	57
David Michael Norman **[(3)]	47	–	–	–	47
	158	1,647	4,622	104	6,531

Notes:

* Non-executive director

** Independent non-executive director

(1) No directors' fees have been paid to any salaried directors employed by the Company or its related corporations

(2) Redesignated as non-executive director with effect from 1 March 2015

(3) Appointed as independent non-executive director with effect from 4 July 2013

10. EMOLUMENTS OF THE FIVE HIGHEST PAID INDIVIDUALS

Among the five highest paid individuals of the Group, one (2014: one) is a director of the Company whose remuneration is disclosed in note 9. The remunerations of the other four (2014: four) individuals are as follows:

	The Group	
	2015 US$'000	2014 US$'000
Directors' fee	**–**	30
Salaries, allowances and benefits in kind	**3,588**	2,961
Discretionary bonuses	**1,053**	971
Share-based payments	**494**	–
Pension contributions	**95**	286
Compensation for loss of office	**129**	–
	5,359	4,248

The numbers of individuals whose remuneration falls within the following bands are:

	The Group	
US$	**2015 Number of individuals**	2014 Number of individuals
700,001 – 750,000	**–**	1
800,001 – 850,000	**2**	–
1,050,001 – 1,100,000	**–**	1
1,150,001 – 1,200,000	**–**	1
1,250,001 – 1,300,000	**–**	1
1,800,001 – 1,850,000	**1**	–
1,900,001 – 1,950,000	**1**	–
	4	4

11. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of US$227,587,000 (2014: US$81,548,000) which has been dealt with in the financial statements of the Company.

12. DIVIDENDS

	The Group		The Company	
	2015 US$'000	2014 US$'000	**2015 US$'000**	2014 US$'000
Dividends payable/paid in respect of the current year:				
– Interim dividend of HK$1.00 (2014: HK$1.00) per ordinary share	**41,910**	41,898	**42,428**	42,417
– Proposed final dividend of HK$3.00 (2014: HK$3.00) per ordinary share	**127,341**	127,362	**127,341**	127,362
	169,251	169,260	**169,769**	169,779
Dividends paid/(refunded) in respect of the prior year:				
– No special interim dividend (2014: Special interim dividend in specie of HK$5.01 (Note)) per ordinary share	**–**	209,816	**–**	212,416
– Final dividend of HK$3.00 (2014: HK$1.50) per ordinary share	**125,792**	62,882	**127,350**	63,661
– Refund of unclaimed dividends	**(226)**	–	**(226)**	–
	125,566	272,698	**127,124**	276,077

Note: Following the declaration of the special interim dividend in specie in respect of the financial year 2012/13 on 3 July 2013, the distribution of The Rank Group Plc ("Rank") shares was completed on 5 September 2013 ("settlement date"). Based on the closing price of GBp153.1 per Rank share and the exchange rate on this settlement date, the special interim dividend in specie paid was approximately US$209.8 million, representing approximately HK$5.01 per ordinary share.

The final dividend proposed for the year ended 30 June 2015 of US$127,341,000 (2014: US$127,362,000) is calculated based on 329,051,373 ordinary shares (2014: 329,051,373 ordinary shares) in issue as at 30 June 2015.

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period in the accounts.

13. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of US$596,590,000 (2014: US$742,151,000) and the weighted average number of 325,024,511 ordinary shares (2014: 325,024,511 ordinary shares) in issue during the year.

(b) Diluted earnings per share

For the years ended 30 June 2015 and 2014, the diluted earnings per share equalled the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years.

14. SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the Group's senior executive management for the purposes of resource allocation and performance assessment, the Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units engage in different business activities, offer different products and services and are managed separately. The following summary describes the operations in each segment:

Segment	Business activities	Operated by
Principal investment:	This segment covers equity and direct investments as well as treasury operations, with trading and strategic investments in global capital markets.	Subsidiaries
Property development and investment:	This segment involves development of residential and commercial properties and holding properties for rental income in the key geographical markets of Singapore, China, Malaysia, Vietnam and Hong Kong.	Subsidiaries
Hospitality and leisure:	This segment owns, leases or manages hotels and operates gaming and leisure businesses in the United Kingdom, Spain and Belgium.	Subsidiaries
Financial services:	This segment covers commercial and consumer banking, Islamic banking, investment banking, life and general insurance, Takaful insurance, fund management and unit trust, stock and commodities broking, bullion trading and corporate advisory services.	Subsidiaries and associate
Oil and gas:	This segment receives royalty income from the entitlement of Bass Strait oil trust in Australia.	Subsidiary

14. SEGMENT REPORTING (cont'd)

During the year, the Group re-assessed the identification of operating segments reported in the financial statements, and has aggregated the operating segments "Securities, commodities and brokerage" and "Financial services" into a single reportable segment as they have similar economic characteristics.

The accounting policies of the operating segments are the same as those described in the significant accounting policies in note 2. Performance is evaluated on the basis of profit or loss from operations before taxation. Inter-segment pricing is determined on an arm's length basis. The Group's measurement methods used to determine reported segment profit or loss remain unchanged from the financial year 2013/14.

Information regarding the Group's reportable segments for the purposes of resource allocation and assessment of segment performance for the year is set out below.

(a) Reportable segment revenue and profit or loss, assets and liabilities

Segment revenue and profit or loss

	Principal investment US$'000	Property development and investment US$'000	Hospitality and leisure US$'000	Financial services US$'000	Oil and gas US$'000	Total US$'000
For the year ended 30 June 2015						
Turnover	1,689,631	1,143,477	1,512,547	10,702	–	4,356,357
Revenue from external customers	138,709	1,143,477	1,512,547	10,702	–	2,805,435
Inter-segment revenue	5,719	1,260	–	1,128	–	8,107
Reportable segment revenue	144,428	1,144,737	1,512,547	11,830	–	2,813,542
Operating profit	318,322	297,465	190,765	2,540	27,560	836,652
Finance costs	(41,290)	(48,621)	(43,995)	(1,489)	–	(135,395)
Valuation surplus on investment properties	–	55,277	–	–	–	55,277
Share of profits of associates and joint ventures	–	1,595	–	118,398	–	119,993
Profit before taxation	277,032	305,716	146,770	119,449	27,560	876,527
For the year ended 30 June 2014						
Turnover	2,055,447	1,028,000	1,551,678	9,905	–	4,645,030
Revenue from external customers	161,517	1,028,000	1,551,678	9,905	–	2,751,100
Inter-segment revenue	3,431	1,161	1,435	815	–	6,842
Reportable segment revenue	164,948	1,029,161	1,553,113	10,720	–	2,757,942
Operating profit	453,253	276,530	96,382	2,358	37,545	866,068
Finance costs	(38,480)	(67,990)	(59,259)	(1,292)	(478)	(167,499)
Valuation surplus on investment properties	–	102,243	–	–	–	102,243
Share of profits of associates and joint ventures	–	15,377	–	133,119	–	148,496
Profit before taxation	414,773	326,160	37,123	134,185	37,067	949,308

14. SEGMENT REPORTING (cont'd)

(a) Reportable segment revenue and profit or loss, assets and liabilities (cont'd)

Segment assets and liabilities

	Principal investment US$'000	Property development and investment US$'000	Hospitality and leisure US$'000	Financial services US$'000	Oil and gas US$'000	Total US$'000
At 30 June 2015						
Reportable segment assets	4,808,324	7,128,355	3,417,369	127,682	82,534	15,564,264
Interest in associates and joint ventures	–	90,974	–	856,145	–	947,119
Total assets	4,808,324	7,219,329	3,417,369	983,827	82,534	16,511,383
Reportable segment liabilities	1,361,433	4,229,161	1,394,443	68,429	–	7,053,466
At 30 June 2014						
Reportable segment assets	4,838,880	6,927,423	3,566,947	124,828	115,050	15,573,128
Interest in associates and joint ventures	–	146,893	–	890,500	–	1,037,393
Total assets	4,838,880	7,074,316	3,566,947	1,015,328	115,050	16,610,521
Reportable segment liabilities	1,454,841	4,434,384	1,509,615	43,581	–	7,442,421

Other information

	Principal investment US$'000	Property development and investment US$'000	Hospitality and leisure US$'000	Financial services US$'000	Oil and gas US$'000	Total US$'000
2015						
Interest income	32,324	7,520	4,214	4,353	–	48,411
Depreciation and amortisation	378	4,068	93,270	421	3,563	101,700
Additions to non-current segment assets	118	202,981	122,066	487	–	325,652
2014						
Interest income	24,735	9,630	6,976	4,943	–	46,284
Depreciation and amortisation	371	3,354	99,536	332	3,977	107,570
Additions to non-current segment assets	313	107,437	110,355	519	–	218,624

Major customers

During the years ended 30 June 2015 and 2014, there is no major customer accounting for more than 10% of the total revenue of the Group.

14. SEGMENT REPORTING (cont'd)

(b) Reconciliations of reportable segment revenue, finance costs and interest income

Revenue

	The Group	
	2015 US$'000	2014 US$'000
Reportable segment revenue	**2,813,542**	2,757,942
Elimination of inter-segment revenue	**(8,107)**	(6,842)
Consolidated revenue (note 5)	**2,805,435**	2,751,100

Finance costs

	The Group	
	2015 US$'000	2014 US$'000
Reportable finance costs	**135,395**	167,499
Elimination of inter-segment finance costs	**(3,117)**	(2,031)
Consolidated finance costs (note 7(a))	**132,278**	165,468

Interest income

	The Group	
	2015 US$'000	2014 US$'000
Reportable interest income	**48,411**	46,284
Elimination of inter-segment interest income	**(3,117)**	(2,031)
Consolidated interest income (note 5)	**45,294**	44,253

(c) Geographical information

The following table illustrates the geographical location of the Group's revenue from external customers, profit from operations, the Group's total assets and non-current assets other than financial instruments, deferred tax assets and pensions surplus ("specified non-current assets"). The geographical information is classified by reference to the location of the income generating entities.

14. SEGMENT REPORTING (cont'd)

(c) Geographical information (cont'd)

	Revenue from external customers		Profit from operations	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
The People's Republic of China				
– Hong Kong	150,394	172,432	277,474	416,662
– Mainland China	305,583	326,577	68,103	118,243
United Kingdom and Continental Europe	1,478,502	1,514,432	152,589	45,902
Singapore	834,586	637,843	(Note) 177,220	65,435
Australasia and others	36,370	99,816	25,871	52,327
	2,805,435	2,751,100	701,257	698,569

	Segment assets		Specified non-current assets	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
The People's Republic of China				
– Hong Kong	4,904,566	4,954,567	58,545	55,949
– Mainland China	2,753,914	2,980,846	149,344	173,699
United Kingdom and Continental Europe	3,098,822	3,253,393	2,790,512	3,002,032
Singapore	3,712,474	3,435,102	1,804,840	1,770,564
Australasia and others	2,041,607	1,986,613	1,251,438	1,377,018
	16,511,383	16,610,521	6,054,679	6,379,262

Note:

In accordance with applicable Hong Kong Financial Reporting Standards, at Group level, revenue arising from the sale of properties has been recognised upon completion of development projects instead of the percentage of completion method adopted by GuocoLand Limited ("GuocoLand") for residential projects under progressive payment schemes in Singapore.

GuocoLand has adopted the Singapore Interpretation of Financial Reporting Standard No. 115 Agreements for the Construction of Real Estate and the accompanying practice note issued specifically in the context of the sale of development properties in Singapore. Consequently, GuocoLand continues to adopt the percentage of completion method of revenue recognition for residential projects under progressive payment schemes in Singapore. For residential projects under deferred payment schemes in Singapore and overseas, the revenue and expenses are accounted for under the completion of construction method.

Accordingly, operating profits of GuocoLand for the year amounting to US$1.6 million (2014: US$41.3 million) in Singapore have been deferred for recognition in the consolidated financial statements. The Group has recognised operating profits of GuocoLand of US$65.4 million (2014: US$36.2 million) which have been deferred in previous years. Up to 30 June 2015, accumulated operating profits of GuocoLand totalling US$2.3 million (2014: US$68.9 million) in Singapore have been deferred for recognition, and will be recognised by the Group upon completion of the relevant development projects in subsequent years.

15. FIXED ASSETS

	The Group					
	Investment properties US$'000	Interests in leasehold land and buildings US$'000	Freehold land and buildings US$'000	Furniture, fixtures and equipment US$'000	Other property, plant and equipment US$'000	Total US$'000
Cost or valuation						
At 1 July 2013	1,673,137	1,169,388	491,331	1,167,858	2,828,577	4,501,714
Adjustments to provisional amounts recognised on acquisition of subsidiary	–	(717)	–	(613)	(1,330)	(1,330)
Additions	105,751	21,924	3,572	87,377	112,873	218,624
Transfer from properties held for sale	–	–	3,658	–	3,658	3,658
Disposals and written off	–	(4,099)	(1,972)	(7,731)	(13,802)	(13,802)
Disposal of subsidiaries	–	–	–	(32)	(32)	(32)
Fair value adjustments	102,243	–	–	–	–	102,243
Exchange adjustments	14,874	101,052	50,252	124,612	275,916	290,790
At 30 June 2014	1,896,005	1,287,548	546,841	1,371,471	3,205,860	5,101,865
Representing:						
Cost	–	1,287,548	546,841	1,371,471	3,205,860	3,205,860
Valuation – 2014	1,896,005	–	–	–	–	1,896,005
	1,896,005	1,287,548	546,841	1,371,471	3,205,860	5,101,865
At 1 July 2014	1,896,005	1,287,548	546,841	1,371,471	3,205,860	5,101,865
Acquisition of subsidiary	–	–	185	1,863	2,048	2,048
Additions	198,352	40,106	23,341	63,853	127,300	325,652
Transfer from/(to):						
– development properties	446	–	–	–	–	446
– assets held for sale	(111,132)	–	(1,084)	(2,341)	(3,425)	(114,557)
Disposals and written off	–	(1,832)	(4,407)	(31,628)	(37,867)	(37,867)
Disposal of subsidiaries	–	(56)	–	(100)	(156)	(156)
Fair value adjustments	55,277	–	–	–	–	55,277
Exchange adjustments	(141,581)	(91,350)	(47,496)	(114,170)	(253,016)	(394,597)
At 30 June 2015	1,897,367	1,234,416	517,380	1,288,948	3,040,744	4,938,111
Representing:						
Cost	–	1,234,416	517,380	1,288,948	3,040,744	3,040,744
Valuation – 2015	1,897,367	–	–	–	–	1,897,367
	1,897,367	1,234,416	517,380	1,288,948	3,040,744	4,938,111

15. FIXED ASSETS (cont'd)

	The Group					
	Investment properties US$'000	Interests in leasehold land and buildings US$'000	Freehold land and buildings US$'000	Furniture, fixtures and equipment US$'000	Other property, plant and equipment US$'000	Total US$'000
Accumulated depreciation and impairment loss						
At 1 July 2013	–	139,388	38,974	824,698	1,003,060	1,003,060
Charge for the year	–	17,582	4,251	71,341	93,174	93,174
Written back on disposals and written off	–	(3,446)	(1,611)	(7,159)	(12,216)	(12,216)
Written back on disposal of subsidiaries	–	–	–	(29)	(29)	(29)
Transfer from properties held for sale	–	–	3,189	–	3,189	3,189
Impairment loss recognised	–	1,351	–	10,207	11,558	11,558
Exchange adjustments	–	13,965	4,353	92,225	110,543	110,543
At 30 June 2014	–	168,840	49,156	991,283	1,209,279	1,209,279
At 1 July 2014	–	168,840	49,156	991,283	1,209,279	1,209,279
Acquisition of subsidiary	–	–	141	475	616	616
Charge for the year	–	11,172	1,589	75,927	88,688	88,688
Written back on disposals and written off	–	(1,190)	(3,188)	(30,636)	(35,014)	(35,014)
Written back on disposal of subsidiaries	–	(56)	–	(92)	(148)	(148)
Transfer to assets held for sale	–	–	(672)	(1,855)	(2,527)	(2,527)
Impairment loss recognised/(reversed)	–	(312)	–	2,140	1,828	1,828
Exchange adjustments	–	(11,987)	(4,317)	(83,401)	(99,705)	(99,705)
At 30 June 2015	–	166,467	42,709	953,841	1,163,017	1,163,017
Net book value						
At 30 June 2015	1,897,367	1,067,949	474,671	335,107	1,877,727	3,775,094
At 30 June 2014	1,896,005	1,118,708	497,685	380,188	1,996,581	3,892,586

15. FIXED ASSETS (cont'd)

(a) The analysis of net book value of properties is as follows:

	The Group	
	2015 US$'000	2014 US$'000
In Hong Kong:		
– Leasehold with between 10 to 50 years unexpired	57,280	55,191
– Leasehold with less than 10 years unexpired	229	–
Outside Hong Kong:		
– Freehold	899,482	975,237
– Leasehold with over 50 years unexpired	2,247,238	2,234,902
– Leasehold with between 10 to 50 years unexpired	207,182	212,176
– Leasehold with less than 10 years unexpired	28,576	34,892
	3,439,987	3,512,398

(b) Certain of the Group's properties with an aggregate book value of US$1,783.3 million (2014: US$2,274.1 million) were pledged for bank loans and mortgage debenture stock.

(c) Investment properties comprise:

	The Group	
	2015 US$'000	2014 US$'000
Completed investment properties	486,524	507,752
Investment properties under development	1,410,843	1,388,253
	1,897,367	1,896,005

(d) The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 5 years. The gross carrying amounts of investment properties of the Group held for use in operating leases were US$486.5 million (2014: US$507.8 million).

(e) All properties held under operating leases that would otherwise meet the definition of investment properties are classified as investment properties.

15. FIXED ASSETS (cont'd)

(f) Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value measurement as at 30 June 2015 categorised into			
	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
The Group				
Recurring fair value measurement				
Investment properties	**–**	**49,665**	**1,847,702**	**1,897,367**

	Fair value measurement as at 30 June 2014 categorised into			
	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Recurring fair value measurement				
Investment properties	–	47,092	1,848,913	1,896,005

15. FIXED ASSETS (cont'd)

(f) Fair value measurement of properties (cont'd)

(i) Fair value hierarchy (cont'd)

During the year ended 30 June 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2014: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 30 June 2015. The valuations were carried out by independent firms of valuers, Crowe Horwath (HK) Consulting & Valuation Limited, CB Richard Ellis, Rahim & Co and Savills, who have appropriate recognised professional qualifications and recent experience in the locations and categories of property being valued. The valuers have considered valuation techniques including the direct comparison method, discounted cash flow method, residual method and residual land method in determining the open market values. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations. Management has discussion with the valuers on the valuation assumptions and valuation results when the valuation is performed at each annual reporting date.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair values of investment properties in Level 2 are based on market values being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

15. FIXED ASSETS (cont'd)

(f) Fair value measurement of properties (cont'd)

(iii) Information about Level 3 fair value measurements

Type of investment properties	Valuation method	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties	– Direct comparison method	– Comparable sales prices of US$1,288 to US$2,437 (2014: US$1,842 to US$2,403) psf	The estimated fair value increases, the higher the comparable sales price
	– Discounted cash flow method	– Discount rate of 6.5% (2014: 6%) – Terminal yield rate of 3.5% (2014: 3%) – Capitalisation rate of 3.5% (2014: 3%)	The estimated fair value increases, the lower the discount rate, terminal yield rate and capitalisation rate
Reversionary interest in freehold land	– Direct comparison method	– Comparable sales prices of land of US$648 to US$796 (2014: US$698 to US$859) psf	The estimated fair value increases, the higher the comparable sales price of land and gross development value
	– Residual land method	– Gross development value of US$1,857 (2014: US$2,002) psf	
Commercial properties under development	– Residual land and residual methods	– Gross development value of US$280 to US$1,772 (2014: US$326 to US$2,243) psf	The estimated fair value increases, the higher the gross development value

15. FIXED ASSETS (cont'd)

(f) Fair value measurement of properties (cont'd)

(iii) Information about Level 3 fair value measurements (cont'd)

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	The Group	
	2015 US$'000	2014 US$'000
Investment properties:		
At 1 July	**1,848,913**	1,628,402
Additions	**198,352**	105,751
Transfer from/(to):		
– development properties	**446**	–
– assets held for sale	**(111,132)**	–
Fair value adjustments	**52,696**	99,922
Exchange adjustments	**(141,573)**	14,838
At 30 June	**1,847,702**	1,848,913

Fair value adjustment of investment properties is recognised in the line item "Valuation surplus on investment properties" on the face of the consolidated income statement.

Exchange adjustment of investment properties is recognised in other comprehensive income in "Exchange translation reserve".

All the gains recognised in profit or loss for the year arise from the properties held at the end of the reporting period.

16. INTANGIBLE ASSETS

	The Group			
	Casino licences and brand names US$'000	Bass Strait oil and gas royalty US$'000	Others US$'000	Total US$'000
Cost				
At 1 July 2013	1,091,000	175,072	56,031	1,322,103
Adjustments to provisional amounts recognised on acquisition of subsidiary	(8,696)	–	–	(8,696)
Additions	124	–	13,124	13,248
Disposals	–	–	(95)	(95)
Exchange adjustments	120,907	2,773	6,606	130,286
At 30 June 2014	1,203,335	177,845	75,666	1,456,846
At 1 July 2014	**1,203,335**	**177,845**	**75,666**	**1,456,846**
Additions	**757**	**–**	**15,768**	**16,525**
Disposals	**(4,669)**	**–**	**(8,364)**	**(13,033)**
Exchange adjustments	**(99,622)**	**(68,012)**	**(5,807)**	**(173,441)**
At 30 June 2015	**1,099,801**	**109,833**	**77,263**	**1,286,897**
Accumulated amortisation and impairment loss				
At 1 July 2013	49,418	67,722	34,674	151,814
Charge for the year	1,315	3,930	9,151	14,396
Impairment loss recognised	12,914	–	67	12,981
Exchange adjustments	2,783	1,181	4,470	8,434
At 30 June 2014	66,430	72,833	48,362	187,625
At 1 July 2014	**66,430**	**72,833**	**48,362**	**187,625**
Charge for the year	**1,438**	**3,563**	**8,011**	**13,012**
Written back on disposals	**(4,669)**	**–**	**(7,565)**	**(12,234)**
Impairment loss reversed	**(4,053)**	**–**	**–**	**(4,053)**
Exchange adjustments	**(10,795)**	**(49,097)**	**(3,697)**	**(63,589)**
At 30 June 2015	**48,351**	**27,299**	**45,111**	**120,761**
Net book value				
At 30 June 2015	**1,051,450**	**82,534**	**32,152**	**1,166,136**
At 30 June 2014	1,136,905	105,012	27,304	1,269,221

16. INTANGIBLE ASSETS (cont'd)

The Bass Strait oil and gas royalty represents the Group's interest in the Bass Strait Oil Trust held by GuocoLeisure Limited ("GuocoLeisure"). It is stated at cost less accumulated amortisation and impairment losses. The cost is amortised on a straight-line basis so that the amortisation charge for the year is included in administrative and other operating expenses in the consolidated income statement so as to write off the cost over its estimated useful life of 30 years to 2040.

The Group capitalises acquired casino and other gaming licences and concessions. Management believes that licences, with the exception of the two casino concessions in Belgium, have indefinite lives as there is no foreseeable limit to the period over which the licences are expected to generate net cash inflows and each licence holds a value outside the property in which it resides. Each licence is reviewed annually for impairment. In respect of the two casino concessions in Belgium, their carrying value is amortised over the expected useful life of the concessions (9 years).

Included in other intangible assets are acquired computer software licences, costs that are directly associated with the production and development of identifiable and unique software products controlled by the Group, and computer software development costs which are amortised over their estimated useful lives (3 to 5 years).

The directors of GuocoLeisure have reviewed the cash flow projections and expected realisable amounts of the casino licences and brand names of GuocoLeisure, taking into account prevailing and expected market conditions as well as historical trends and performance.

The recoverable amounts of the other intangible assets are estimated based on value-in-use models. These calculations use cash flow projections based on financial budgets approved by management covering a 3-year period. Subsequent to the cash flow projections period, the growth rates used to extrapolate the cash flow projections are stated below. The growth rate does not exceed the long term average growth rate for the relevant businesses.

The key assumptions used for value-in-use calculations are as follows:

	Casino licences and brand names of Rank		Bass Strait oil and gas royalty of GuocoLeisure	
	2015	2014	**2015**	2014
Long term growth rate	**2%**	2%	**2%**	2%
Discount rate	**10%-11%**	10%	**10%**	8%

For casino licences and brand names of Rank, the key assumptions in the calculation of value in use are customer visits, spend per visit, casino duty, machine games duty, bingo duty and the discount rate. For Bass Strait oil and gas royalty of GuocoLeisure, the key assumptions in the calculation of value in use are oil and gas production, oil and gas price, exchange rate and general inflation. The long term growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

As a result of the impairment testing, the Group reversed previous impairment loss of US$4,053,000 for the year ended 30 June 2015 in relation to the hospitality and leisure segment where the casino and bingo venues have shown improved performance. For the year ended 30 June 2014, impairment loss of US$12,981,000 was recognised.

17. INTEREST IN SUBSIDIARIES

	The Company	
	2015 US$'000	2014 US$'000
Unlisted shares	467,678	467,678
Amounts due from subsidiaries	2,084,279	2,353,634
	2,551,957	2,821,312
Amounts due to subsidiaries	301,960	175,882

At 30 June 2015, amounts due from subsidiaries of US$251,271,000 (2014: US$50,963,000) bear interest at 1.77% to 2.09% (2014: 1.71% to 2.60%) per annum and are unsecured. Such outstanding balances consist of US$222,891,000 with a tenor of 3 months and US$28,380,000 with no fixed repayment terms. The remaining outstanding balances are unsecured, interest free and have no fixed repayment terms.

The amounts due to subsidiaries are unsecured, interest free and have no fixed repayment terms.

(a) Details of the principal subsidiaries incorporated and operating in Hong Kong are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Asia Fountain Investment Company Limited	2 shares *	–	100	Investment trading
BIL (Far East Holdings) Limited	635,855,324 shares *	–	67	Investment holding
GuocoCapital Limited	120,000 shares *	–	100	Stockbroking and securities trading
GuocoCapital Bullion Limited	1 share *	–	100	Bullion trading
GuocoCapital Futures Limited	100,000 shares *	–	100	Commodities broking
GuocoEquity Assets Limited	23,000,000 shares *	100	100	Investment holding
GuoSon Assets China Limited	1 share *	–	65	Investment holding
GuoSon Changfeng China Limited	1 share *	–	65	Investment holding
Guoco Management Company Limited	2,000,000,000 shares *	100	100	Provision of general management services
Guoco Investments (China) Limited	10,000,000 shares *	100	100	Investment holding

* Concept of par value was abolished with effect from 3 March 2014 pursuant to section 135 of new Hong Kong Companies Ordinance (Cap. 622).

17. INTEREST IN SUBSIDIARIES (cont'd)

(b) Details of the principal subsidiaries incorporated and operating in Singapore are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Belmeth Pte Ltd	50,000,000 shares (S$50,000,000) **	–	52	Investment holding
Elliot Development Pte Ltd	10,000 shares (S$10,000) **	–	65	Property development
GLL IHT Pte Ltd	10,000,000 shares (S$10,083,000) **	–	65	Provision of financial and treasury services
GLL Land Pte Ltd	70,000,000 shares (S$70,000,000) **	–	65	Holding properties for rental
GLL (Malaysia) Pte Ltd	58,000,000 shares (S$58,000,000) **	–	65	Investment holding
Goodwood Residence Development Pte Ltd	90,300,000 shares (S$90,300,000) **	–	65	Property development
Guoco Assets Pte Ltd	2 shares (S$2) **	100	100	Investment holding
GuocoLand Limited	1,183,373,276 shares (S$1,926,053,441) **	–	65	Investment holding
GuocoLand Assets Pte Ltd	20,000,000 shares (S$20,000,000) **	100	100	Investment holding
GuocoLand Property Management Pte Ltd	2 shares (S$2) **	–	65	Property management, marketing and maintenance services
GuocoLand (Singapore) Pte Ltd	195,000,000 shares (S$195,000,000) **	–	65	Investment holding
GuocoLand Vietnam (S) Pte Ltd	1 share (S$1) **	–	65	Investment holding
GuocoLeisure Management Pte Ltd	2 shares (S$2) **	–	67	Management company
Guston Pte Ltd	10,000,000 shares (S$10,000,000) **	–	52	Investment holding
Leedon Residence Development Pte Ltd	158,000,000 shares (S$158,000,000) **	–	65	Property development
Perfect Eagle Pte Ltd	30,000,000 shares (S$30,000,000) **	–	52	Property development
Sims Urban Oasis Pte Ltd (formerly known as First Changi Development Pte Limited)	64,560,000 shares (S$64,560,000) **	–	65	Property development
Sophia Residence Development Pte Ltd	91,600,000 shares (S$91,600,000) **	–	65	Property development
Waterline Development Pte Ltd	1,000,000 shares (S$1,000,000) **	–	65	Property development

** Concept of par value was abolished with effect from 30 January 2006 pursuant to the Singapore Companies (Amendment) Act, 2005.

Amount shown represents the nominal value of the issued shares of the company.

17. INTEREST IN SUBSIDIARIES (cont'd)

(c) Details of the principal subsidiaries incorporated and operating in Malaysia are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Ace Acres Sdn. Bhd.	3,000,000 shares of RM1 each	–	44	Property development
Continental Estates Sdn. Bhd. ("Continental Estates")	50,600,000 shares of RM1 each	–	30	Property development and operation of an oil palm estate
Damansara City Sdn. Bhd.	20,100,000 shares of RM1 each	–	44	Property development and property investment
DC Hotel Sdn. Bhd.	2,500,002 shares of RM1 each	–	44	Hotel operations
DC Offices Sdn. Bhd.	2,500,002 shares of RM1 each	–	44	Property investment
DC Parking Sdn. Bhd.	2,500,002 shares of RM1 each	–	44	Car park operations and property investment
DC Tower Sdn. Bhd.	2,500,002 shares of RM1 each	–	44	Property investment
DC Town Square Sdn. Bhd.	2,500,002 shares of RM1 each	–	44	Property investment
GLM Alam Damai Sdn. Bhd. (formerly known as Wonderful Space Sdn. Bhd.)	2,500,000 shares of RM1 each	–	44	Property investment and property development
Guoco Assets Sdn. Bhd.	250,000 shares of RM1 each, 300,000 Class B shares of RM1 each and 5,815 preference shares of RM1 each	45	100	Investment holding
GuocoLand (Malaysia) Berhad	700,458,518 shares of RM0.5 each	–	44	Investment holding and provision of management services
Hong Leong Real Estate Management Sdn. Bhd.	3,000,000 shares of RM1 each	–	44	Property investment and trading
JB Parade Sdn. Bhd.	40,000,000 shares of RM1 each	–	35	Investment holding and hotel operations
PD Resort Sdn. Bhd.	100,000,000 shares of RM1 each	–	51	Property investment and development and hotel operations
Positive Vision Labuan Limited	10,000 shares of US$1 each	–	44	Investment holding
Titan Debut Sdn. Bhd.	3,000,000 shares of RM1 each	–	44	Acquire, enhance and resale of properties

17. INTEREST IN SUBSIDIARIES (cont'd)

(d) Details of the principal subsidiaries incorporated and operating in the United Kingdom are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Clermont Leisure (UK) Limited	55,000,000 shares of GBP1 each	–	67	Gaming
Grosvenor Casinos Limited	39,000,000 shares of GBP1 each	–	52	Casinos
Grosvenor Casinos (GC) Limited	10,000 shares of GBP0.01 each	–	52	Casinos
GLH Hotel Holdings Limited	2 shares of GBP1 each	–	67	Investment holding
GLH Hotels Limited	310,545,212 shares of GBP0.26 each	–	67	Ownership and operation of hotels in UK
Mecca Bingo Limited	170,000,000 shares of GBP1 each and 50,000 "A" shares of GBP1 each	–	52	Social and bingo clubs
Rank Digital Limited	14,884,600 "A" shares of GBP1 each and 500,000 "B" shares of GBP1 each	–	52	Support services to interactive gaming
Rank Gaming Group Limited	100 shares of GBP1 each	–	52	Intermediary holding company
Rank Group Finance Plc	200,000,000 shares of GBP1 each	–	52	Funding operations
Rank Group Gaming Division Limited	76,133,001 shares of GBP1 each and 55,531 "A" shares of GBP1 each	–	52	Intermediary holding and provision of shared services
Rank Leisure Limited	1 share of GBP1 each	–	52	Adult gaming centres in Mecca Bingo and Grosvenor Casinos
Rank Leisure Holdings Limited	1,000,000 shares of GBP1 each and 1,799 preferred shares of US$1 each	–	52	Intermediary holding and corporate activities
Rank Nemo (Twenty-Five) Limited	1 share of GBP1 each	–	52	Intermediary holding company
Rank Overseas Holdings Limited	1,000,000 shares of GBP1 each	–	52	Intermediary holding company
The Gaming Group Limited	1 share of GBP1 each	–	52	Casinos
The Rank Group Plc	390,683,521 shares of GBp13 $^{8}/_{9}$ each	–	52	Investment holding of gaming business

17. INTEREST IN SUBSIDIARIES (cont'd)

(e) Details of the principal subsidiaries incorporated and operating in other countries are as follows:

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Asian Financial Common Wealth (PTC) Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	–	100	Provision of trustee service
Beijing Cheng Jian Dong Hua Real Estate Development Co., Ltd (Note (i) & (vii))	The People's Republic of China	RMB50,000,000 (Note (ii))	–	59	Property development
Beijing Jiang Sheng Property Development Co., Ltd (Note (i) & (vii))	The People's Republic of China	RMB250,000,000 (Note (ii))	–	65	Property development
BIL Australia Pty Limited	Australia	1 share of AUD1 each	–	67	Investment holding
BIL NZ Treasury Limited	New Zealand	200,100 shares of NZD1,000 each	–	67	Investment holding
Clermont Leisure International Limited	Jersey	2 shares of GBP1 each	–	67	Investment holding
Dynamic Talent Limited	Cayman Islands	1 share of US$1 each	100	100	Financing activities
Fresco Resources Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	100	100	Financing activities
GA Investment Limited	Labuan	200,000 shares of US$1 each	100	100	Investment holding
Great Insight Limited (Note (iii))	Cayman Islands	1 share of US$1 each	100	100	Financing activities
Guoco Assets (Philippines), Inc.	The Philippines	1,210,000 shares of P100 each	–	100	Investment holding
Guoco Securities (Bermuda) Limited	Bermuda	120,000 shares of US$0.1 each	100	100	Investment holding
GuocoLand Binh Duong Property Co., Ltd	Vietnam	VND288,245,178,769 (Note (ii))	–	65	Property development
GuocoLand (China) Limited	Bermuda	20,000,000 shares of US$1 each	–	65	Investment holding
GuocoLeisure Limited	Bermuda	1,368,063,633 shares of US$0.2 each	–	67	Hotel and property management
GuocoLeisure Assets Limited	Cayman Islands	1 share of US$1 each	100	100	Investment holding
GLH Hotels Group Limited (Note (v))	Bermuda	1 share of US$1 each	–	67	Investment holding
GuoSon Investment Company Limited (Note (i) & (vi))	The People's Republic of China	US$392,000,000 (Note (ii))	–	65	Investment holding
Hong Way Holdings, Inc.	The Philippines	100,000 shares of P1 each	–	100	Investment holding

17. INTEREST IN SUBSIDIARIES (cont'd)

(e) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Ma Sing Investments Limited (Note (iv))	British Virgin Islands	1 share of US$1 each	–	67	Investment holding
Molokai Properties Limited	United States of America	100 shares of US$2 each	–	67	Investment holding
Oceanease Limited	Cayman Islands	1 share of US$1 each	–	100	Investment trading
Rank Assets Limited	Cayman Islands	1 share of US$1 each	100	100	Investment holding
Rank Digital Gaming (Alderney) Limited	Alderney	1 share of GBP1 each	–	52	Interactive gaming
Rank Digital Services (Gibraltar) Limited	Gibraltar	1,000 shares of GBP1 each	–	52	Support services to interactive gaming
Rank Holding España SA	Spain	150,000 shares of EUR26.02 each	–	52	Intermediary holding company
Rank Malta Operations Plc	Malta	1,500 shares of EUR1 each	–	52	Interactive gaming
Shanghai Xinhaolong Property Development Co., Ltd (Note (i) & (vi))	The People's Republic of China	US$126,000,000 (Note (ii))	–	65	Property development
Shanghai Xinhaojia Property Development Co., Ltd (Note (i) & (vi))	The People's Republic of China	RMB3,150,000,000 (Note (ii))	–	83	Property development
Supreme Goal Investments Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	100	100	Property investment
Tabua Investments Limited	Fiji	2 shares of FJ$1 each	–	67	Investment holding
Tianjin Zhong Xin Ming Shi Real Estate Development Co., Ltd (Note (i) & (vi))	The People's Republic of China	RMB510,000,000 (Note (ii))	–	65	Property development
Wayforward Services Limited (Note (v))	British Virgin Islands	1 share of US$1 each	–	67	Investment holding

Notes:

(i) These companies have a financial year end of 31 December.

(ii) These comprise capital contribution to the companies. These companies have a defined period of existence.

(iii) These companies are operating in Hong Kong.

(iv) These companies are operating in Australia.

(v) These companies are operating in United Kingdom.

(vi) These companies are foreign capital enterprise.

(vii) These companies are sino-foreign equity joint venture enterprise.

17. INTEREST IN SUBSIDIARIES (cont'd)

(f) Material non-controlling interest

The following table lists out the information relating to each subsidiary of the group which has material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

	GuocoLand		GuocoLeisure		Rank		Total	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
NCI percentage at the end of the reporting period	35%	35%	33%	33%	48%	48%		
Non-current assets	2,514,666	2,587,521	1,365,018	1,448,120	1,522,005	1,663,021		
Current assets	4,487,352	4,303,837	281,312	287,975	203,419	154,948		
Non-current liabilities	(2,793,872)	(2,279,450)	(337,009)	(124,087)	(136,308)	(421,450)		
Current liabilities	(1,760,931)	(2,273,725)	(138,219)	(375,449)	(545,774)	(355,385)		
Net assets	2,447,215	2,338,183	1,171,102	1,236,559	1,043,342	1,041,134		
Carrying amount of NCI	1,048,377	1,018,702	386,765	408,170	484,239	484,624	1,919,381	1,911,496
Revenue	1,170,093	1,054,833	381,411	412,816	1,102,554	1,109,955		
Profit for the year	225,445	251,247	47,866	39,019	117,785	33,015		
Total comprehensive income	290,446	203,288	(42,094)	133,058	109,712	28,680		
Profit allocated to NCI	90,325	110,813	15,639	12,694	56,823	14,180	162,787	137,687
Dividend paid to NCI	14,319	14,531	6,112	6,519	14,072	13,385	34,503	34,435
Net cash generated from/(used in):								
– operating activities	94,226	124,809	99,389	108,765	215,607	45,399		
– investing activities	(177,307)	138,667	(54,867)	(28,983)	(51,789)	(70,672)		
– financing activities	118,890	(245,799)	(41,092)	(89,358)	(98,778)	(317)		
Net increase/(decrease) in cash and cash equivalents	35,809	17,677	3,430	(9,576)	65,040	(25,590)		

18. INTEREST IN ASSOCIATES AND JOINT VENTURES

	The Group 2015 US$'000	The Group 2014 US$'000
Share of net assets		
Listed shares, overseas	**912,495**	950,158
Unlisted	**30,322**	72,983
Goodwill	**12,092**	12,092
Amounts due from associates	**22**	26
	954,931	1,035,259
Less: Impairment loss	**(37,462)**	(37,462)
Interest in associates	**917,469**	997,797
Share of net assets – unlisted	**29,627**	37,273
Amounts due from joint ventures	**23**	2,323
Interest in joint ventures	**29,650**	39,596
	947,119	1,037,393

The market value of the listed investments in associates at 30 June 2015 was US$1,092.5 million (2014: US$1,369.3 million).

The amounts due from associates and joint ventures are unsecured, interest free and have no fixed repayment terms.

The details of significant associates are as follows:

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Effective percentage held by the Group	Principal activities
Hong Leong Financial Group Berhad ("HLFG")	Malaysia	1,052,767,789 shares of RM1 each	25	Financial services (Note 1)
Tower Real Estate Investment Trust ("Tower REIT")	Malaysia	280,500,000 shares of RM1.0173 each	10	Investment in real estate and real estate related assets (Note 2)
Vintage Heights Sdn. Bhd. ("Vintage Heights")	Malaysia	140,000,000 shares of RM1 each	21	Property development and operation of an oil palm estate

Note 1: HLFG is an integrated financial services group and is listed on the Malaysia Stock Exchange. Its businesses cover commercial and consumer banking, Islamic banking, investment banking, life and general insurance, Takaful insurance, fund management and unit trust, corporate advisory services and stockbroking.

Note 2: Tower REIT is listed on the Malaysia Stock Exchange. Its investment portfolio comprises 2 strategically located prime commercial buildings in Kuala Lumpur.

All of the associates and joint ventures are accounted for using the equity method in the consolidated financial statements.

18. INTEREST IN ASSOCIATES AND JOINT VENTURES (cont'd)

Summarised financial information of the material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	HLFG		Tower REIT		Continental Estates		Vintage Heights		Immaterial associates		Total	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Non-current assets	N/A	N/A	144,178	199,415	-	75,415	73,096	84,616				
Current assets	N/A	N/A	2,429	393	-	4,396	2,837	1,968				
Total assets	53,651,532	59,226,723	146,607	199,808	-	79,811	75,933	86,584				
Non-current liabilities	N/A	N/A	(27)	(32,711)	-	(4,438)	(2,308)	(12,105)				
Current liabilities	N/A	N/A	(3,550)	(8,799)	-	(2,404)	(12,139)	(2,031)				
Total liabilities	(48,493,034)	(53,930,948)	(3,577)	(41,510)	-	(6,842)	(14,447)	(14,136)				
Non-controlling interests	(1,683,768)	(1,722,282)	-	–	-	–	-	–				
Net assets	3,474,730	3,573,493	143,030	158,298	-	72,969	61,486	72,448				
Group's share of net assets	881,515	915,870	30,980	34,288	-	36,485	27,670	32,602				
Goodwill	12,092	12,092	-	–	-	–	2,652	3,444				
Amounts due from associates	-	–	-	–	-	13	22	13				
Impairment loss	(37,462)	(37,462)	-	–	-	–	-	–				
Group's carrying amount	856,145	890,500	30,980	34,288	-	36,498	30,344	36,059				
Revenue	1,799,825	1,771,464	11,455	15,279	3,866	5,202	1,603	2,068				
Profit/(loss) for the year	466,697	524,724	13,401	8,339	1,681	3,397	(1,515)	(819)				
Other comprehensive income	(16,207)	25,559	(11,320)	(4,356)	(697)	(2,297)	(5,444)	(2,834)				
Total comprehensive income	450,490	550,283	2,081	3,983	984	1,100	(6,959)	(3,653)				
Carrying amount of interest in associates at the beginning of the year	890,500	783,336	34,288	35,039	36,498	42,755	36,059	33,888				
Total comprehensive income attributable to the Group	114,286	139,603	451	863	492	550	(3,132)	(1,644)				
Impairment loss reversed	-	–	-	–	-	–	-	3,444				
Dividends received during the year	(29,224)	(31,200)	(1,234)	(2,019)	-	(7,310)	-	–				
Deemed disposal of associate	-	–	-	–	(34,325)	–	-	–				
Net advance to/(repayment from) associates	-	–	-	–	-	13	11	(10)				
Exchange adjustments	(119,417)	(1,239)	(2,525)	405	(2,665)	490	(2,594)	381				
Carrying amount of interest in associates at the end of the year	856,145	890,500	30,980	34,288	-	36,498	30,344	36,059	-	452	917,469	997,797

19. ACQUISITIONS OF SUBSIDIARY AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of subsidiary for the financial year ended 30 June 2015

On 18 July and 31 July 2014, GuocoLand (Malaysia) Berhad ("GLM") acquired an additional 10.66% equity interests and 13.48% cumulative redeemable preference shares in Continental Estates for a consideration of RM43 million (approximately US$12.2 million). As a result, Continental Estates, which was previously a 50% owned associate of GLM, became a subsidiary of the Group from the acquisition date. The Group acquired an additional 7.34% equity interest in May 2015 for a consideration of RM4 million (approximately US$1.1 million). As at 30 June 2015, Continental Estates was 68% owned by GLM.

(b) Acquisition of subsidiary for the financial year ended 30 June 2014

On 12 May 2013, Rank, a subsidiary of the Group, acquired a 100% interest in Gala Casino 1 Limited (now Grosvenor Casinos (GC) Limited). The acquisition included 19 operating casinos and 3 non-operating casino licences. In the financial year ended 30 June 2014, there was a net cash inflow of US$1,178,000 relating to this acquisition (note 33(b)).

(c) Transactions with non-controlling interests

During the financial year ended 30 June 2015, the Group recognised an additional 0.2% interest in Rank for US$2.6 million, increasing its ownership from 51.8% to 52.0%. The Group recognised a decrease in non-controlling interests of US$2.8 million and an increase in total equity attributable to equity shareholders of the Company of US$0.2 million.

During the financial year ended 30 June 2014, the Group disposed of a 22.7% interest in Rank in a form of declared special interim dividend in specie of approximately US$212.4 million in respect of the financial year 2012/13, decreasing its ownership from 74.5% to 51.8%. The Group recognised an increase in non-controlling interests of US$230.0 million and a decrease in total equity attributable to equity shareholders of the Company of US$17.6 million.

The following summarises the effect of changes in the Group's ownership interest in Rank:

	2015 US$'000	2014 US$'000
Group's ownership interest at 1 July	556,510	702,742
Effect of increase/(decrease) in Group's ownership interest	2,808	(230,012)
Share of total comprehensive income	(215)	83,780
Group's ownership interest at 30 June	559,103	556,510

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Equity securities				
Listed (at market value)				
– In Hong Kong	1,730,920	1,766,445	–	–
– Outside Hong Kong	500	1,375	–	–
Unlisted	17,724	3,321	–	–
	1,749,144	1,771,141	–	–
Club and other debentures	310	310	203	203
Investment in partnership	29,100	38,400	–	–
	1,778,554	1,809,851	203	203

21. GOODWILL

	The Group	
	2015 US$'000	2014 US$'000
Cost:		
At 1 July	180,062	158,176
Adjustments to provisional amounts recognised on acquisition of subsidiary	–	3,664
Exchange adjustments	(13,732)	18,222
At 30 June	166,330	180,062

In accordance with the Group's accounting policy, the carrying value of goodwill was tested for impairment annually, based on value-in-use models. For impairment testing purpose, each subsidiary group acquired is treated as a single cash generating unit ("CGU"). The recoverable amount of goodwill is determined by discounting the future cash flows to be generated from the CGU based on the financial budgets approved by management covering a 3-year period. Cash flow beyond the 3-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

21. GOODWILL (cont'd)

The key assumptions used for value-in-use calculations are as follows:

	GuocoLand		GuocoLeisure		Rank	
	2015	2014	**2015**	2014	**2015**	2014
Long term growth rate	**4%**	4%	**5%**	5%	**2%**	2%
Discount rate	**8%**	9%	**8%**	9%	**9%**	10%

The long term growth rates used are consistent with the forecasts included in industry reports and do not exceed the long-term average growth rates for the business in which the CGU operates. The discount rates used are pre-tax and reflect specific risks relating to the relevant businesses.

The results of the tests undertaken as at 30 June 2015 and 30 June 2014 indicated no impairment loss was necessary.

22. DEVELOPMENT PROPERTIES

	The Group	
	2015 US$'000	2014 US$'000
Cost	**4,452,968**	4,584,903
Add: Additions through acquisition of subsidiary	**85,395**	–
Less: Impairment loss	**(7,085)**	(8,252)
Progress instalments received and receivable	**(519,417)**	(915,536)
Transfer to properties held for sale	**(805,398)**	(83,515)
Transfer to investment properties	**(446)**	–
	3,206,017	3,577,600

The carrying amounts of development properties were written down based on their estimated selling prices.

Certain of the Group's development properties with an aggregate book value of US$1,817.8 million (2014: US$1,651.3 million) were pledged for bank loans and mortgage debenture stock.

23. PROPERTIES HELD FOR SALE

	The Group	
	2015	2014
	US$'000	US$'000
At 1 July	**486,687**	486,886
Additions	**20,067**	80,708
Acquisition of subsidiary	**45**	–
Transfer from/(to):		
– development properties	**805,398**	83,515
– other property, plant and equipment	**–**	(469)
Disposals	**(258,016)**	(162,518)
	1,054,181	488,122
Exchange adjustments	**(34,284)**	(1,435)
At 30 June	**1,019,897**	486,687

24. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Trade debtors	**228,967**	182,278	**–**	–
Accrued receivables for sales consideration not yet billed on completed development properties	**273,799**	174,120	**–**	–
Deposits and prepayments	**178,868**	338,320	**51**	54
Derivative financial instruments, at fair value	**28,291**	6,012	**983**	–
Interest receivables	**4,209**	4,988	**4,326**	2,059
	714,134	705,718	**5,360**	2,113

Included in the Group's trade and other receivables is US$11.7 million (2014: US$10.8 million) which is expected to be recovered after one year.

24. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	The Group	
	2015 US$'000	2014 US$'000
Within 1 month	226,664	177,219
1 to 3 months	1,451	4,064
More than 3 months	852	995
	228,967	182,278

(b) Impairment of trade debtors

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly.

The balance and the movement of the allowance for bad and doubtful debts as at 30 June 2015 and 2014 are not significant.

(c) Trade debtors that are not impaired

The ageing analysis of trade debtors that is neither individually nor collectively considered to be impaired are as follows:

	The Group	
	2015 US$'000	2014 US$'000
Neither past due nor impaired	218,808	168,443
Less than 1 month past due	8,138	9,185
1 to 3 months past due	1,156	3,583
More than 3 months past due	865	913
	10,159	13,681
	228,967	182,124

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as these are considered fully recoverable. Apart from the liquid securities from margin clients of the securities brokerage business, the Group does not hold any collateral over the receivables balances.

25. TRADING FINANCIAL ASSETS

	The Group	
	2015 US$'000	2014 US$'000
Debt securities		
Listed (at market value)		
– In Hong Kong	8,252	–
– Outside Hong Kong	15,173	–
	23,425	–
Equity securities		
Listed (at market value)		
– In Hong Kong	33,219	455,795
– Outside Hong Kong	917,221	1,388,474
	950,440	1,844,269
	973,865	1,844,269

26. CASH AND SHORT TERM FUNDS

	The Group		The Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Deposits with banks	2,135,410	1,622,705	1,327,388	1,019,534
Cash at bank and in hand	506,135	184,429	150,758	854
Cash and short term funds in the statement of financial position	2,641,545	1,807,134	1,478,146	1,020,388
Cash collateral (Note)	(263,364)	(275,151)	–	–
Cash and cash equivalents of disposal group classified as held for sale	22	–	–	–
Cash and cash equivalents in the consolidated statement of cash flows	2,378,203	1,531,983	1,478,146	1,020,388

Note: Cash collateral is deposited with financial institutions for loan facilities. Deposits of US$263.4 million (2014: US$275.1 million) are pledged with financial institutions in China and Hong Kong for bank loans.

27. ASSETS/LIABILITIES HELD FOR SALE

	The Group 2015 US$'000
Other property, plant and equipment held for sale	898
Assets of disposal group held for sale (Note)	111,448
Assets held for sale	112,346
Liabilities held for sale (Note)	73,264

Note: Prior to 30 June 2015, the Group had commenced efforts to dispose of the entire issued and paid-up share capital of DC Tower Sdn Bhd ("DCT"), a Malaysian subsidiary. Accordingly, the assets and liabilities of DCT are presented as disposal group held for sale as at 30 June 2015. In July 2015, the Group entered into a conditional share sale agreement with Hong Leong Bank Berhad, a related party, for the proposed disposal of DCT for an indicative consideration of approximately RM189.3 million (approximately US$50.2 million). The sale is expected to be completed in March 2016.

As at 30 June 2015, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	The Group 2015 US$'000
Investment properties	111,132
Derivative financial instruments	116
Trade and other receivables	178
Cash and short term funds	22
Assets held for sale	111,448
Bank loans and other borrowings	67,923
Deferred tax liabilities	2,249
Trade and other payables	3,092
Liabilities held for sale	73,264

As at 30 June 2015, the derivative financial instruments relate to interest rate swaps contracts with a notional amount of US$25.6 million. The investment properties have been mortgaged to secure the loan facilities.

There are income or expenses included in other comprehensive income relating to the disposal group.

27. ASSETS/LIABILITIES HELD FOR SALE (cont'd)

Measurement of fair value

The fair value measurement for investment properties of the disposal group has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation method	Key unobservable inputs
Residual land and residual method	Gross development value of US$307 psf

The fair value measurement for derivative financial instruments of the disposal group has been categorised as Level 2. Other assets and liabilities in the disposal group are not measured at fair value as the carrying amount is a reasonable approximation of fair value.

28. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2015 US$'000	2014 US$'000	**2015 US$'000**	2014 US$'000
Trade creditors	**114,748**	126,206	**–**	–
Other payables and accrued operating expenses	**697,461**	612,755	**548**	528
Derivative financial instruments, at fair value	**26,976**	12,021	**7,675**	–
Amounts due to fellow subsidiaries	**16,952**	21,159	**–**	158
Amounts due to associates	**49**	38	**–**	–
	856,186	772,179	**8,223**	686

Included in trade and other payables of the Group and the Company are amounts of US$121.7 million (2014: US$127.8 million) and US$0.3 million (2014: US$0.3 million) respectively which are expected to be payable after one year.

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	The Group	
	2015 US$'000	2014 US$'000
Within 1 month	**87,534**	116,929
1 to 3 months	**9,637**	2,199
More than 3 months	**17,577**	7,078
	114,748	126,206

28. TRADE AND OTHER PAYABLES (cont'd)

(b) Other payables and accrued operating expenses:

	The Group		The Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Accrued operating expenses	289,031	243,947	–	–
Real estate tax payable	49,396	64,234	–	–
Social security and gaming and other taxation	58,019	45,810	–	–
Interest payable	31,759	34,657	–	–
Deposits received	64,525	16,844	–	–
Accruals for above market property rentals on the acquired subsidiary	63,715	73,967	–	–
Progress billings on properties	40,390	39,619	–	–
Others	100,626	93,677	548	528
	697,461	612,755	548	528

At the reporting date, there might be further costs to the Group in meeting its contractual obligations in China for which the Group is currently unable to make a reliable estimate.

(c) The amounts due to fellow subsidiaries and associates are unsecured, interest free and have no fixed repayment terms.

29. BANK LOANS AND OTHER BORROWINGS

	The Group					
	2015			2014		
	Current portion US$'000	Non-current portion US$'000	Total US$'000	Current portion US$'000	Non-current portion US$'000	Total US$'000
Bank loans						
– Secured	788,431	1,585,738	2,374,169	763,349	1,548,721	2,312,070
– Unsecured	517,756	1,237,657	1,755,413	811,654	968,533	1,780,187
	1,306,187	2,823,395	4,129,582	1,575,003	2,517,254	4,092,257
Unsecured other loans	4,765	13,780	18,545	5,476	20,026	25,502
Unsecured medium term notes and bonds	247,101	1,203,476	1,450,577	621,744	1,188,390	1,810,134
Secured mortgage debenture stock	–	91,525	91,525	238,489	99,183	337,672
	1,558,053	4,132,176	5,690,229	2,440,712	3,824,853	6,265,565

29. BANK LOANS AND OTHER BORROWINGS (cont'd)

The Group's bank loans and other borrowings were repayable as follows:

	The Group							
	2015				2014			
	Bank loans US$'000	Mortgage debenture stock US$'000	Other borrowings US$'000	Total US$'000	Bank loans US$'000	Mortgage debenture stock US$'000	Other borrowings US$'000	Total US$'000
Within 1 year or on demand	1,306,187	–	251,866	1,558,053	1,575,003	238,489	627,220	2,440,712
After 1 year but within 2 years	1,614,816	–	213,120	1,827,936	297,008	–	270,559	567,567
After 2 years but within 5 years	1,154,248	–	997,036	2,151,284	2,165,358	–	829,006	2,994,364
After 5 years	54,331	91,525	7,100	152,956	54,888	99,183	108,851	262,922
	2,823,395	91,525	1,217,256	4,132,176	2,517,254	99,183	1,208,416	3,824,853
	4,129,582	91,525	1,469,122	5,690,229	4,092,257	337,672	1,835,636	6,265,565

Note:

The bank loans and mortgage debenture stock are secured by the following:

– legal mortgages on investment properties with an aggregate book value of US$1,410.8 million (2014: US$1,388.3 million) (note 15);

– legal mortgages on development properties with an aggregate book value of US$1,817.8 million (2014: US$1,651.3 million) (note 22);

– legal mortgages on other property, plant and equipment with an aggregate book value of US$372.4 million (2014: US$885.8 million) (note 15); and

– certain trading financial assets with an aggregate book value of US$408.6 million (2014: US$1,022.2 million) (note 25).

30. PROVISIONS AND OTHER LIABILITIES

	The Group			
	Pensions US$'000	Property lease US$'000	Others US$'000	Total US$'000
At 1 July 2013	8,544	71,753	32,896	113,193
Reclassification	–	3,700	(3,700)	–
Provision made during the year	4,304	12,509	44,747	61,560
Amounts settled or utilised during the year	(6,454)	(7,509)	(65,660)	(79,623)
Exchange adjustments	983	9,276	4,587	14,846
At 30 June 2014	7,377	89,729	12,870	109,976
Provisions and other liabilities as at 30 June 2014 are disclosed as:				
Current liabilities	–	12,261	6,893	19,154
Non-current liabilities	7,377	77,468	5,977	90,822
	7,377	89,729	12,870	109,976
At 1 July 2014	**7,377**	**89,729**	**12,870**	**109,976**
Provision made/(written back) during the year	**(1,589)**	**1,766**	**2,897**	**3,074**
Amounts settled or utilised during the year	**(5,283)**	**(9,971)**	**(2,235)**	**(17,489)**
Exchange adjustments	**(1,375)**	**(6,991)**	**(801)**	**(9,167)**
At 30 June 2015	**(870)**	**74,533**	**12,731**	**86,394**
Provisions and other liabilities as at 30 June 2015 are disclosed as:				
Current liabilities	**–**	**9,460**	**7,532**	**16,992**
Non-current liabilities	**9,476**	**65,073**	**5,199**	**79,748**
Non-current assets	**(10,346)**	**–**	**–**	**(10,346)**
	(870)	**74,533**	**12,731**	**86,394**

31. DEFERRED TAXATION

(a) Deferred tax assets and liabilities recognised

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	The Group						
Deferred tax arising from:	Depreciation allowance in excess of related depreciation US$'000	Revaluation of properties US$'000	Timing difference on development properties US$'000	Revaluation of financial liabilities US$'000	Tax losses US$'000	Others US$'000	Total US$'000
At 1 July 2013	(24,874)	32,471	(8,135)	(3,458)	(9,068)	63,161	50,097
Charged/(credited) to consolidated income statement	4,494	(548)	14,252	1,683	2,776	(121)	22,536
Charged to other comprehensive income	–	337	52	–	–	–	389
Adjustments to provisional amounts recognised on acquisition of subsidiary	(2,471)	–	–	–	–	(6,839)	(9,310)
Written back on disposal of subsidiaries	–	–	(3,062)	–	–	–	(3,062)
	(22,851)	32,260	3,107	(1,775)	(6,292)	56,201	60,650
Exchange adjustments	(2,893)	2,759	(3,880)	(332)	(439)	6,687	1,902
At 30 June 2014	(25,744)	35,019	(773)	(2,107)	(6,731)	62,888	62,552
At 1 July 2014	(25,744)	35,019	(773)	(2,107)	(6,731)	62,888	62,552
Reclassification	–	101	–	–	(3,354)	3,253	–
Charged/(credited) to consolidated income statement	4,142	2,836	3,434	1,051	(873)	(1,341)	9,249
Charged to other comprehensive income	–	–	236	–	–	577	813
Acquisition of subsidiary	271	–	3,892	–	–	–	4,163
Written back on disposal of subsidiaries	341	–	(627)	–	231	–	(55)
Effect on changes in tax rate	9	–	–	–	168	(429)	(252)
Transfer to liabilities held for sale	–	(2,249)	–	–	–	–	(2,249)
	(20,981)	35,707	6,162	(1,056)	(10,559)	64,948	74,221
Exchange adjustments	2,008	(2,397)	(1,685)	161	838	(4,812)	(5,887)
At 30 June 2015	(18,973)	33,310	4,477	(895)	(9,721)	60,136	68,334

31. DEFERRED TAXATION (cont'd)

(a) Deferred tax assets and liabilities recognised (cont'd)

	The Group	
	2015 US$'000	2014 US$'000
Net deferred tax assets recognised in the consolidated statement of financial position	**–**	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	**68,334**	62,552
	68,334	62,552

(b) Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of the following items:

	The Group	
	2015 US$'000	2014 US$'000
Deductible temporary differences	**46,810**	58,149
Tax losses	**2,106,069**	2,287,940
	2,152,879	2,346,089

The Group has not recognised deferred tax assets in respect of tax losses for certain group companies as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The deductible temporary differences and tax losses have no expiry dates under current tax legislation.

(c) Deferred tax liabilities not recognised

At 30 June 2015, the temporary differences relating to the undistributed profits of subsidiaries amounted to US$333.1 million (2014: US$253.9 million). Deferred tax liabilities of US$41.1 million (2014: US$17.7 million) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of these subsidiaries and it has been determined that it is probable that the profits will not be distributed in the foreseeable future.

32. SHARE CAPITAL AND RESERVES

(a) Movements in components of equity

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital US$'000	Share premium US$'000	Retained profits US$'000	Total equity US$'000
The Company				
At 1 July 2013	164,526	10,493	3,729,375	3,904,394
Special interim dividend paid in respect of prior year	–	–	(212,416)	(212,416)
Final dividend paid in respect of prior year	–	–	(63,661)	(63,661)
Interim dividend paid in respect of current year	–	–	(42,417)	(42,417)
Total comprehensive income for the year				
– Profit for the year	–	–	81,548	81,548
At 30 June 2014	164,526	10,493	3,492,429	3,667,448
At 1 July 2014	**164,526**	**10,493**	**3,492,429**	**3,667,448**
Final dividend paid in respect of prior year	**–**	**–**	**(127,350)**	**(127,350)**
Interim dividend paid in respect of current year	**–**	**–**	**(42,428)**	**(42,428)**
Refund of unclaimed dividends	**–**	**–**	**226**	**226**
Total comprehensive income for the year				
– Profit for the year	**–**	**–**	**227,587**	**227,587**
At 30 June 2015	**164,526**	**10,493**	**3,550,464**	**3,725,483**

(b) Nature and purpose of reserves

(i) The application of share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.

(ii) The capital and other reserves have been set up and will be dealt with in accordance with the Group's accounting policies. The purchase consideration for issued shares of the subsidiaries acquired for the purpose of satisfying outstanding share options granted by the subsidiaries is included in the capital reserve. It also comprises statutory and regulatory reserves maintained by HLFG's banking subsidiary companies in Malaysia and Vietnam.

32. SHARE CAPITAL AND RESERVES (cont'd)

(b) Nature and purpose of reserves (cont'd)

(iii) The contributed surplus is governed by Section 54 of the Companies Act 1981 of Bermuda.

The contributed surplus is available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

(iv) The ESOS reserve comprises the purchase consideration for issued shares of the Company acquired for the Share Option Scheme for the purpose of satisfying the exercise of share options to be granted to eligible employees (note 35).

(v) The share option reserve comprises the cumulative value of employee services received for the issue of share options.

(vi) The exchange translation reserve comprises:

(a) the foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and associates whose functional currencies are different from the functional currency of the Company.

(b) the exchange differences on monetary items which form part of the Group's net investment in the foreign subsidiaries and associates.

(vii) Fair value reserve comprises unrealised gain or loss arising from changes in fair value of available-for-sale financial assets.

(viii) Hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

(ix) Revaluation reserve comprises increase in fair value of other property, plant and equipment and development properties from acquired subsidiaries.

(x) Distributable reserves of the Company at 30 June 2015 amounted to US$3,521,087,000 (2014: US$3,463,053,000).

32. SHARE CAPITAL AND RESERVES (cont'd)

(c) Share capital

	The Group and The Company			
	2015		2014	
	No. of shares '000	**US$'000**	No. of shares '000	US$'000
Authorised:				
Ordinary shares of US$0.50 each	**1,000,000**	**500,000**	1,000,000	500,000
Issued and fully paid:				
As at 1 July and 30 June	**329,051**	**164,526**	329,051	164,526

Note: As at 30 June 2015, 4,026,862 ordinary shares (2014: 4,026,862 ordinary shares) were acquired by the Group to reserve for the executive share option scheme for the purpose of satisfying the exercise of share options to be granted to eligible employees.

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiary

	The Group	
	2015 US$'000	2014 US$'000
Net assets acquired:		
Other property, plant and equipment	**1,432**	(1,330)
Intangible assets	**–**	(8,696)
Development properties	**85,395**	–
Properties held for sale	**45**	–
Trade and other receivables	**423**	(194)
Cash and short term funds	**3,578**	(540)
Trade and other payables	**(168)**	(192)
Bank loans and other borrowings	**(31,794)**	–
Taxation	**(441)**	(4,186)
Deferred tax liabilities	**(4,163)**	9,310
Exchange translation reserve	**62**	–
Non-controlling interests	**(5,797)**	–
Net assets acquired/(adjusted)	**48,572**	(5,828)
Goodwill arising from acquisition	**–**	3,664
Total consideration paid/(adjusted)	**48,572**	(2,164)
Satisfied by:		
Cash consideration paid/(adjusted)	**12,167**	(2,164)
Group's interest in associates classified to subsidiary	**34,325**	–
Gain on deemed disposal of associate	**2,080**	–
	48,572	(2,164)

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

(b) Analysis of net (outflow)/inflow of cash and cash equivalents in respect of the acquisition of subsidiary

	The Group	
	2015 US$'000	2014 US$'000
Cash consideration (paid)/adjusted	**(12,167)**	2,164
Other current assets adjusted	**–**	(446)
Cash at bank and in hand acquired/(adjusted)	**3,578**	(540)
Net (outflow)/inflow of cash and cash equivalents in respect of the acquisition of subsidiary	**(8,589)**	1,178

(c) Disposal of subsidiaries

During the financial year 2014/15, the Group disposed of its investment in a subsidiary, Nanjing Mahui Property Development Co., Ltd, which had completed and sold all the units in its residential development project in Nanjing, China for a net sale consideration of RMB100 million (approximately US$15.8 million).

During the financial year 2013/14, the Group disposed of its investment in a subsidiary, Guo Xiang Property Co. Limited, which has a project located in Nanjing, China for a total sale consideration of RMB1,200 million (approximately US$199.0 million).

The cash flows and net assets disposed of are summarised as follows:

	The Group	
	2015 US$'000	2014 US$'000
Net assets disposed of:		
Other property, plant and equipment	**8**	3
Development properties	**26,759**	121,684
Trade and other receivables	**1,340**	–
Cash and short term funds	**1,396**	2,986
Trade and other payables	**(444)**	(2,958)
Deferred tax liabilities	**(55)**	(3,062)
Non-controlling interests	**(2,898)**	(491)
	26,106	118,162
Realisation of exchange translation reserve	**(5,783)**	2,305
(Loss)/gain on disposal of subsidiaries	**(4,558)**	78,520
Total consideration	**15,765**	198,987
Less: Cash of subsidiaries disposed of	**(1,396)**	(2,986)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**14,369**	196,001

34. EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement plans

The Group has several defined benefit pension schemes, all of which are closed to new members and managed by independent administrators. Actuarial valuations are carried out at least once every three years and informal valuations are carried out in the intervening years. The Group has set aside sufficient funds to fund the schemes.

These defined benefit pension schemes exposes the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The amounts recognised in the consolidated statement of financial position are as follows:

	The Group	
	2015 US$'000	2014 US$'000
Present value of wholly or partly funded obligations	**(138,984)**	(148,587)
Fair value of plan assets	**145,814**	146,967
Surplus/(deficit) of funded plans	**6,830**	(1,620)
Present value of unfunded obligations	**(5,960)**	(5,757)
Asset/(liability) in the consolidated statement of financial position	**870**	(7,377)

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

(i) Changes in the present value of the defined benefit obligation:

	The Group	
	2015 US$'000	2014 US$'000
At 1 July	**148,587**	123,484
Current service cost	**426**	393
Interest cost	**5,493**	5,863
Actuarial losses	**1,441**	9,064
Benefits paid	**(4,767)**	(4,995)
Exchange differences	**(12,196)**	14,778
At 30 June	**138,984**	148,587

34. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(a) Defined benefit retirement plans (cont'd)

(ii) Changes in the fair value of plan assets:

	The Group	
	2015 US$'000	2014 US$'000
At 1 July	146,967	119,750
Contributions from the Group	5,161	6,256
Benefits paid	(4,767)	(4,995)
Actuarial gains	9,807	11,519
Exchange differences	(11,354)	14,437
At 30 June	145,814	146,967

(iii) Movements in the other liabilities recognised in the consolidated statement of financial position are as follows:

	The Group	
	2015 US$'000	2014 US$'000
At 1 July	(1,620)	(3,734)
Contributions paid to plans	5,161	6,256
Income/(expenses) recognised in consolidated statement of comprehensive income	2,447	(3,801)
Exchange differences	842	(341)
At 30 June	6,830	(1,620)

(iv) Income/(expenses) recognised in consolidated income statement and consolidated statement of comprehensive income are as follows:

	The Group	
	2015 US$'000	2014 US$'000
Current service cost	(426)	(393)
Net interest expenses on obligation	(10)	(223)
Net actuarial gains/(losses) recognised	2,883	(3,185)
	2,447	(3,801)

34. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(a) Defined benefit retirement plans (cont'd)

(v) Plan assets comprise of:

	The Group	
	2015 US$'000	2014 US$'000
Equity/Diversified growth fund	**80,683**	80,514
Bond	**64,398**	65,376
Cash	**733**	1,077
	145,814	146,967

(vi) The principal actuarial assumptions used at 30 June 2015 and 30 June 2014 (expressed as weighted averages) and sensitivity analysis are as follows:

	The Group	
	2015	2014
Discount rate	**3.77%**	3.77%
Rates of increase to pensions in payment		
– Retail Price Index maximum 5% per annum	**3.20%**	3.20%
– Consumer Price Index maximum 3% per annum	**2.00%**	2.00%
– Consumer Price Index maximum 2.5% per annum	**1.80%**	1.80%
Rate of increase in salaries	**3.75%**	3.85%

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Increase US$'000	**Decrease** US$'000
The Group		
2015		
Discount rate (1% movement)	**26,592**	**(27,153)**
Rate of increase to pensions in payment (1% movement)	**10,847**	**(10,847)**
Rate of increase in salaries (1% movement)	**5,030**	**(5,030)**
Future mortality (1% movement)	**11,722**	**(11,161)**
2014		
Discount rate (1% movement)	29,879	(30,752)
Rate of increase to pensions in payment (1% movement)	13,288	(13,288)
Rate of increase in salaries (1% movement)	7,158	(7,153)
Future mortality (1% movement)	14,310	(13,655)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

34. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(a) Defined benefit retirement plans (cont'd)

Other pension commitment

The Group's UK subsidiary has an unfunded pension commitment relating to three former executives of the subsidiary. At 30 June 2015, the Group's commitment was US$6.0 million (2014: US$5.8 million). The Group paid US$0.2 million (2014: US$0.2 million) in pension payments during the year. The net cost arising on the commitment of US$nil (2014: US$nil) has been recognised in other financial losses in the consolidated income statement. The actuarial loss arising on the commitment, resulting from the changes in assumptions outlined below in 2015, was US$0.6 million (2014: US$0.5 million) after taxation.

Assumptions used to determine the obligations at:

	The Group	
	2015	2014
Discount rate	**3.7%**	4.2%
Pension increases	**3.2%**	2.6%

The obligation has been calculated using the S1 mortality tables with a 1.5% per annum improvement in life expectancy.

(b) Defined contribution retirement plans

The Company and its subsidiaries in Hong Kong operate a Mandatory Provident Fund Scheme ("MPF Scheme") which has been established under the Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance in December 2000. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the Group's contribution is 10 percent or 5 percent of employees' monthly salaries and is expensed as incurred.

Subsidiaries in Singapore operate a Central Provident Fund Scheme ("CPF Scheme") which is a defined contribution scheme. Under this CPF Scheme, the subsidiary's contribution is 6.5 percent to 16 percent of employees' monthly salaries and is expensed as incurred.

During the year, the Group's cost incurred on employees pension schemes were US$12,166,000 (2014: US$13,550,000) and forfeited contributions in the amount of US$28,000 (2014: US$20,000) were used to reduce current year's contributions.

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

(a) The Company

The Executive Share Option Scheme 2012 (the "ESOS 2012") was approved by the shareholders of the Company at the special general meeting on 14 November 2012 and took effect on 16 November 2012 to provide opportunities for the executives or directors of the Company and all its subsidiaries (the "Eligible Executives") to participate in the equity of the Company and aligning the Company's long term interests with those of the shareholders.

Pursuant to the ESOS 2012, the exercise of options by Eligible Executives shall be satisfied through the issue of new shares and/or the transfer of existing shares of the Company.

The option price per share payable upon exercise of any share option will not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by the stock exchange for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the stock exchange's daily quotation sheet on the day of offer of such a share option; and (c) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the share option within 30 days inclusive of, and from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant in respect of such option. The life of the ESOS 2012 is 10 years from the effective date of the ESOS 2012. The ESOS 2012 shall remain valid and effective till 15 November 2022.

No option has ever been granted to any Eligible Executives pursuant to the ESOS 2012 up to 30 June 2015.

(b) GuocoLand

The GuocoLand Limited Executives' Share Option Scheme 2008 (the "GLL ESOS 2008") was approved by the shareholders of GuocoLand on 17 October 2008 and further approved by the shareholders of the Company on 21 November 2008 (the "GLL Effective Date"). Under the GLL ESOS 2008, options may be granted over newly issued and/or existing shares of GuocoLand to eligible participants including employees and executive directors of GuocoLand and its subsidiaries who are not GuocoLand's controlling shareholders or associates. The GLL ESOS 2008 provides an opportunity for the employees of the GuocoLand group who have contributed to the growth and the development of the GuocoLand group to participate in the equity of GuocoLand. The GLL ESOS 2008 shall continue to be in force at the discretion of the GuocoLand ESOS Committee, subject to a maximum period of 10 years commencing on the GLL Effective Date till 20 November 2018.

There were no outstanding options at any time during the years ended 30 June 2015 and 30 June 2014.

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(c) GuocoLand (Malaysia) Berhad ("GLM")

The GLM Executive Share Option Scheme (the "GLM ESOS") was approved by the shareholders of GLM on 11 October 2011 and further approved by the shareholders of the Company on 25 November 2011. The GLM ESOS which took effect on 21 March 2012 (the "GLM Effective Date") allows the grant of options over newly issued and/or existing shares of GLM to eligible executives and/or directors of GLM and its subsidiaries. It provides an opportunity for the eligible participants who have contributed to the growth and development of the GLM group to participate in the equity of GLM.

The shareholders of GLM and the Company had subsequently on 21 October 2013 and 19 November 2013 respectively, approved the amendments to the Bye-Laws of the GLM ESOS to incorporate an executive share grant scheme (the "GLM ESGS"). The GLM ESGS together with the GLM ESOS have been combined and renamed as Executive Share Scheme. The GLM ESOS shall continue to be in force for a period of 10 years commencing from the GLM Effective Date till 20 March 2022.

Since the establishment up to 30 June 2015, no options had been granted pursuant to the GLM ESOS.

On 22 August 2011, GLM has established a Value Creation Incentive Plan ("VCIP") for selected key executives of GLM group to incentivise them towards achieving long term performance targets through the grant of options over GLM shares, which options will be satisfied through the transfer of existing GLM shares held by the GLM ESOS Trust. Pursuant to the VCIP, GLM has granted options ("VCIP Options") over 27,500,000 GLM shares at an exercise price of RM0.87 per share to eligible key executives of the GLM group ("VCIP Option Holders"). The VCIP Options granted are subject to the achievement of prescribed financial and performance targets/criteria by the VCIP Option Holders over a stipulated performance period. No VCIP Option were vested during the financial years ended 30 June 2015 and 30 June 2014.

(i) The number and weighted average exercise prices of share options are as follows:

	2015		2014	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	RM0.87	3,150,000	RM0.87	4,500,000
Lapsed during the year	RM0.87	(3,150,000)	RM0.87	(1,350,000)
Outstanding at the end of the year	N/A	–	RM0.87	3,150,000
Exercisable at the end of the year	N/A	–	N/A	–

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(c) GuocoLand (Malaysia) Berhad ("GLM") (cont'd)

(i) The number and weighted average exercise prices of share options are as follows: (cont'd)

	2015	2014
The weighted average share price at the date of exercise for share options exercised during the year	N/A	N/A
The weighted average exercise price per share of the outstanding options	N/A	RM0.87
The weighted average remaining contractual life of the options	N/A	2.4 years

(ii) Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is calculated using the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Date of grant of options	24 August 2011
Fair value at measurement date	RM0.17 to RM0.42
Share price at grant date	RM0.83
Exercise price	RM0.87
Expected volatility	42.8%
Expected option life	1.5 years to 6.5 years
Expected dividend yield	2.30% to 3.09%
Risk-free interest rate	3.04% to 3.25%

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(d) GuocoLeisure

The GuocoLeisure Limited Executives' Share Option Scheme 2008 (the "GL ESOS 2008") was approved by the shareholders of GuocoLeisure on 17 October 2008, and by the shareholders of the Company on 21 November 2008 (the "GGL Approval Date"). The GL ESOS 2008 allows the grant of options over newly issued and/or existing shares of GuocoLeisure to confirmed employees (including executive directors) of GuocoLeisure and its subsidiaries who are not GuocoLeisure's controlling shareholders or associates.

The primary aim of the GL ESOS 2008 is to align the long-term interests of GuocoLeisure employees with those of the shareholders of GuocoLeisure and to encourage such employees to assume greater responsibility for the performance of the businesses which they manage. The GL ESOS 2008 shall continue to be in force at the discretion of the GuocoLeisure ESOS Committee, subject to a maximum period of 10 years commencing from the GGL Approval Date (i.e. 20 November 2018).

No options were granted nor exercised during the financial year ended 30 June 2015.

(i) The terms and conditions of the grants that existed during the year, whereby all options are settled by physical delivery of shares:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to directors of GuocoLeisure:			
– on 13 May 2013	25,000,000	3 to 6 years from the date of grant	3.6 to 8.6 years
Options granted to employees of GuocoLeisure:			
– on 13 May 2013	33,400,000		
Total share options	58,400,000		

(ii) The number and weighted average exercise prices of share options are as follows:

	2015 Weighted average exercise price	2015 Number of options	2014 Weighted average exercise price	2014 Number of options
Outstanding at the beginning of the year	**S$0.86**	**70,400,000**	S$0.713-S$0.86	76,005,000
Lapsed during the year	**S$0.86**	**(12,000,000)**	S$0.713-S$0.86	(5,605,000)
Outstanding at the end of the year	**S$0.86**	**58,400,000**	S$0.86	70,400,000
Exercisable at the end of the year	**N/A**	**–**	N/A	–

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(d) GuocoLeisure (cont'd)

(ii) The number and weighted average exercise prices of share options are as follows: (cont'd)

	2015	2014
The weighted average share price at the date of exercise for share options exercised during the year	**N/A**	N/A
The weighted average exercise price per share of the outstanding options	**S$0.86**	S$0.86
The weighted average remaining contractual life of the options	**4.4 years**	5.4 years

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The expected volatility, dividend yield and risk-free rate are based on 5-year historical trends.

Date of grant of options	13 May 2013
Fair value at measurement date	S$0.17 to S$0.227
Share price at grant date	S$0.83
Exercise price	S$0.86
Expected volatility	34.1%
Expected option life	3.6 years to 8.6 years
Expected dividend yield	2.41%
Risk-free interest rate	1.05%

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(e) Rank

During the year ended 30 June 2015, Rank operated an equity settled Long-Term Incentive Plan ("LTIP").

(i) The terms and conditions of the grants that existed during the year, whereby all options are settled by physical delivery of shares:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to directors of Rank:			
– 22 April 2015	891,710	Achievement of certain financial and performance targets/criteria during the performance periods for FY2017 to FY2019.	2.6 years
– 22 April 2015	594,474		3.6 years
– 22 April 2015	495,395		4.6 years
Options granted to directors of subsidiaries of Rank:			
– 22 April 2015	750,784		2.6 years
– 22 April 2015	500,524		3.6 years
– 22 April 2015	417,103		4.6 years
Options granted to employees of Rank:			
– 22 April 2015	542,782		2.6 years
– 22 April 2015	361,855		3.6 years
– 22 April 2015	301,546		4.6 years
Total share options	4,856,173		

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(e) Rank (cont'd)

(ii) The number and weighted average exercise prices of share options are as follows:

	2015 Weighted average exercise price	2015 Number of options	2014 Weighted average exercise price	2014 Number of options
Outstanding at the beginning of the year	**NIL**	**5,393,769**	NIL	8,548,832
Exercised during the year	**NIL**	**–**	NIL	(106,247)
Granted during the year	**NIL**	**4,856,173**	NIL	946,473
Lapsed during the year	**NIL**	**(5,393,769)**	NIL	(3,995,289)
Outstanding at the end of the year	**NIL**	**4,856,173**	NIL	5,393,769
Exercisable at the end of the year	**NIL**	**–**	NIL	–

	2015	2014
The weighted average share price at the date of exercise for share options exercised during the year	**N/A**	GBp160.00
The weighted average exercise price per share of the outstanding options	**NIL**	NIL
The weighted average remaining contractual life of the options	**3.2 years**	2.1 years

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(e) Rank (cont'd)

(iii) Fair value of share options and assumptions

The fair value of the LTIP awards granted during the year is based on the market value of the share award at grant date less the expected value of dividends forgone.

In the prior year, when market based performance conditions existed, the fair value of LTIP awards granted was calculated using a Monte Carlo simulation which allowed for the incorporation of market performance conditions. The following table lists the inputs used in the share awards in the prior year.

	2014 LTIP
Fair value at measurement date	GBp71.30
Share price at grant date	GBp140.50
Exercise price	NIL
Expected volatility	31.0%
Expected option life	1 to 3 years
Expected dividend yield	3.2%
Risk-free interest rate	1.4%

In both years, to the extent that grants are subject to non-market based performance conditions, the expense recognised is based on expectations of these conditions being met, which are reassessed at the end of each reporting period.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

These risks are managed by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risks are primarily attributable to bank deposits, debt securities, derivative financial instruments and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's bank deposits are only deposited in and debt securities are only purchased from counterparties which have high credit quality. Transactions involving derivative financial instruments are with counterparties with sound credit ratings. The Group has limits for exposures to individual counterparty and country to manage concentration risk.

The Group's credit exposure in property business is minimal as customers fund their purchases of residential housing units with mortgaged home loans from independent financial institutions. The hotel business has its own credit policy to allow credit period of up to 14 days for certain of its customers. Sales to gaming retail customers are settled in cash or using major credit cards. The Group has no significant concentrations of credit risks. The Group only obtain liquid securities as collaterals from margin clients of securities, commodities and brokerage business.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset, including derivative financial instruments, in the statement of financial position after deducting any impairment allowance.

(b) Liquidity risk

Liquidity is managed on a daily basis by the treasury and finance departments. They are responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches. The Group manages liquidity risk by holding sufficient liquid assets of appropriate quality to ensure that short term funding requirements are covered within prudent limits.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(b) Liquidity risk (cont'd)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates prevailing at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

	2015 Contractual undiscounted cash flow						2014 Contractual undiscounted cash flow					
	Within 1 year or on demand US$'000	More than 1 year but less than 2 years US$'000	More than 2 years but less than 5 years US$'000	More than 5 years US$'000	Total US$'000	Carrying amount at 30 June 2015 US$'000	Within 1 year or on demand US$'000	More than 1 year but less than 2 years US$'000	More than 2 years but less than 5 years US$'000	More than 5 years US$'000	Total US$'000	Carrying amount at 30 June 2014 US$'000
The Group												
Non-derivative financial liabilities												
Bank loans and other loans	(1,357,833)	(1,687,060)	(1,220,455)	(73,111)	(4,338,459)	(4,148,127)	(1,699,074)	(607,479)	(1,934,082)	(81,293)	(4,321,928)	(4,117,759)
Unsecured medium term notes and bonds	(308,579)	(260,519)	(1,023,729)	-	(1,592,827)	(1,450,577)	(698,349)	(322,283)	(879,958)	(104,236)	(2,004,826)	(1,810,134)
Secured mortgage debenture stock	(6,855)	(6,855)	(20,564)	(100,772)	(135,046)	(91,525)	(255,227)	(7,424)	(22,272)	(116,567)	(401,490)	(337,672)
Trade and other payables	(697,445)	(60,492)	(33,818)	(61,776)	(853,531)	(829,210)	(633,810)	(107,887)	(17,695)	(766)	(760,158)	(760,158)
	(2,370,712)	(2,014,926)	(2,298,566)	(235,659)	(6,919,863)	(6,519,439)	(3,286,460)	(1,045,073)	(2,854,007)	(302,862)	(7,488,402)	(7,025,723)
Derivative financial liabilities												
Derivatives settled net:												
Interest rate swaps	(155)	(1,060)	(5,235)	-	(6,450)		(2,983)	(720)	-	-	(3,703)	
Derivatives settled gross:												
Forward foreign exchange contracts												
– outflows	(8,194,237)	-	-	-	(8,194,237)		(4,399,287)	-	-	-	(4,399,287)	
– inflows	8,166,069	-	-	-	8,166,069		4,390,399	-	-	-	4,390,399	
	(28,323)	(1,060)	(5,235)	-	(34,618)		(11,871)	(720)	-	-	(12,591)	
The Company												
Non-derivative financial liabilities												
Trade and other payables	(277)	(271)	-	-	(548)	(548)	(257)	(271)	-	-	(528)	(528)
Derivative financial liabilities												
Derivatives settled gross:												
Forward foreign exchange contracts												
– outflows	(411,941)	-	-	-	(411,941)		-	-	-	-	-	
– inflows	404,221	-	-	-	404,221		-	-	-	-	-	
	(7,720)	-	-	-	(7,720)		-	-	-	-	-	
Financial guarantees issued on behalf of subsidiaries (maximum amount guaranteed)												
– banks	191,101	285,816	214,212	-	691,129		(259,953)	(207,538)	(299,856)	-	(767,347)	
– fixed rate bondholders	23,750	23,750	501,979	-	549,479		(23,750)	(23,750)	(525,729)	-	(573,229)	
	214,851	309,566	716,191	-	1,240,608		(283,703)	(231,288)	(825,585)	-	(1,340,576)	

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(c) Interest rate risk

The Group's interest rate risk arises from treasury activities and borrowings. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. The Group uses interest rate swaps to manage its interest rate exposure as appropriate. As at 30 June 2015, the Group had interest rate swaps with outstanding notional amount of US$559.3 million (2014: US$439.6 million).

(i) Interest rate profile

The following table details the interest rate profile of the Group's and the Company's interest earning financial assets and interest bearing financial liabilities at the end of the reporting period.

	2015 Effective interest rate	2015 US$'000	2014 Effective interest rate	2014 US$'000
The Group				
Floating rate financial liabilities				
Bank loans and other borrowings	1.08% to 8.20%	(3,981,316)	1.10% to 7.56%	(4,012,269)
		(3,981,316)		(4,012,269)
Fixed rate financial assets/(liabilities)				
Deposits with banks	0.01% to 4.80%	2,135,410	0.03% to 6.30%	1,622,705
Debt securities	2.25% to 2.50%	23,425	–	–
Bank loans and other borrowings	2.68% to 7.88%	(1,708,913)	2.00% to 10.75%	(2,253,296)
		449,922		(630,591)
Total		(3,531,394)		(4,642,860)
The Company				
Fixed rate financial assets				
Deposits with banks	0.01% to 4.80%	1,327,388	0.03% to 3.65%	1,019,534
Amounts due from subsidiaries	1.77% to 2.09%	251,271	2.00%	50,963
		1,578,659		1,070,497

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(c) Interest rate risk (cont'd)

(ii) Sensitivity analysis

At 30 June 2015, it is estimated that a general increase/decrease of 5 to 95 basis points (2014: 5 to 75 basis points) in interest rates for the Group's various currencies, mainly United States dollars, Pound sterling, Hong Kong dollars and Singapore dollars, with all other variables held constant, would have decreased/increased the Group's profit and total equity by approximately US$7.1 million (2014: decreased/increased of US$2.0 million). This takes into account the effect of interest earning bank deposits and interest bearing bank loans and other borrowings as at 30 June 2015.

The sensitivity analysis above indicates the instantaneous change in the Group's profit and total equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit and total equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2014.

(d) Foreign currency risk

Structural foreign currency positions arise mainly on overseas investments in Singapore, Malaysia, China and United Kingdom. Currency exposure to these overseas investments is managed primarily at the Group level with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations.

The Group from time to time enters into foreign exchange contracts, which are primarily over-the-counter derivatives, principally for hedging foreign currency exposures and investments.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(d) Foreign currency risk (cont'd)

(i) Exposure to foreign currency risk

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency and exposure arising from inter-company balances which are considered to be in the nature of interest in subsidiaries are excluded.

	2015					2014				
	Australian dollars '000	Renminbi '000	Pound sterling '000	Malaysian ringgit '000	Singapore dollars '000	Australian dollars '000	Renminbi '000	Pound sterling '000	Malaysian ringgit '000	Singapore dollars '000
The Group										
Available-for-sale financial assets	–	–	–	1,887	–	–	–	–	4,416	–
Trade and other receivables	12	52,180	336	10,031	72	10	207,936	86	3,423	–
Trading financial assets	21,013	–	292,276	145,796	133,112	189,634	–	273,740	184,802	188,651
Cash and short term funds	363	380,217	106	2,846,854	274	50	558,861	56	1,092,283	120
Trade and other payables	–	(14,075)	(369)	(27)	(8)	–	(10,260)	(106)	(27)	(7)
Bank loans and other borrowings	–	–	–	–	–	–	–	–	–	(600)
Gross exposure arising from recognised assets and liabilities	21,388	418,322	292,349	3,004,541	133,450	189,694	756,537	273,776	1,284,897	188,164
Notional amounts of forward exchange contracts at fair value through profit or loss	(26,032)	(375,993)	(299,182)	(3,015,334)	(249,888)	(194,125)	308,170	(277,691)	(1,279,524)	(171,325)
Overall net exposure	(4,644)	42,329	(6,833)	(10,793)	(116,438)	(4,431)	1,064,707	(3,915)	5,373	16,839
The Company										
Trade and other receivables	–	3,924	–	9,719	–	–	2,710	–	1,632	–
Cash and short term funds	345	372,546	8	2,846,659	81	31	506,180	24	1,091,953	–
Gross exposure arising from recognised assets and liabilities	345	376,470	8	2,856,378	81	31	508,890	24	1,093,585	–
Notional amounts of forward exchange contracts at fair value through profit or loss	–	(375,993)	–	–	(300,000)	–	–	–	–	–
Overall net exposure	345	477	8	2,856,378	(299,919)	31	508,890	24	1,093,585	–

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(d) Foreign currency risk (cont'd)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit and total equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2015			2014		
	Increase in foreign exchange rates	Effect on profit US$'000	Effect on other components of equity US$'000	Increase in foreign exchange rates	Effect on profit US$'000	Effect on other components of equity US$'000
The Group						
Australian dollars	5%	(176)	–	5%	(179)	–
Renminbi	5%	188	–	2%	2,912	–
Pound sterling	3%	(357)	–	2%	(128)	–
Malaysian ringgit	2%	(380)	11	2%	(105)	25
Singapore dollars	1%	(988)	–	2%	133	–

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit and total equity measured in the respective functional currencies, translated into United States dollars at the exchange rate ruling at the end of the reporting period for presentation purpose.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2014.

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as trading securities (see note 25) and available-for-sale equity securities (see note 20).

The Group maintains an investment portfolio which comprises listed and unlisted equities. Investments are chosen to enhance creation of capital value for trading purpose as well as for long term potential growth. Equity investments are subject to asset allocation limits to control appropriate risks. The portfolio size is regularly reviewed and the price movements are closely monitored by the investment committee, who will take appropriate actions when required.

At 30 June 2015, it is estimated that an increase/decrease of 4% to 15% (2014: 5% to 22%) in the market value of the Group's global listed trading securities and available-for-sale equity securities, with all other variables held constant, would have increased/decreased the Group's profit and total equity by US$108.4 million (2014: US$297.2 million) and US$259.7 million (2014: US$265.0 million) respectively. It is assumed that none of the available-for-sale investments would be considered impaired as a result of relevant risk variables. The analysis is performed on the same basis for 2014.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(f) Fair values measurement

(i) Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

	2015				2014			
	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
The Group								
Recurring fair value measurements								
Assets								
Available-for-sale financial assets:								
– Listed	1,731,420	–	–	1,731,420	1,767,820	–	–	1,767,820
– Unlisted	–	29,100	18,034	47,134	–	38,400	3,631	42,031
Trading financial assets:								
– Listed	950,440	23,425	–	973,865	1,844,269	–	–	1,844,269
Derivative financial instruments:								
– Interest rate swaps	–	–	–	–	–	781	–	781
– Forward exchange contracts	–	28,137	–	28,137	–	1,293	–	1,293
– Equity options	–	–	–	–	–	3,938	–	3,938
– Currency options	–	154	–	154	–	–	–	–
	2,681,860	80,816	18,034	2,780,710	3,612,089	44,412	3,631	3,660,132
Liabilities								
Derivative financial instruments:								
– Interest rate swaps	–	3,334	–	3,334	–	3,121	–	3,121
– Forward exchange contracts	–	23,274	–	23,274	–	8,900	–	8,900
– Equity options	–	368	–	368	–	–	–	–
	–	26,976	–	26,976	–	12,021	–	12,021

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(f) Fair values measurement (cont'd)

(i) Financial assets and liabilities measured at fair value (cont'd)

During the year ended 30 June 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

During the year ended 30 June 2014, an unlisted available-for-sale financial asset was transferred from Level 3 to Level 2 when the underlying non-publicly traded investment held by the unlisted available-for-sale financial asset has become publicly traded in an active market upon an initial public offering.

	2015				2014			
	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
The Company								
Recurring fair value measurements								
Assets								
Available-for-sale financial assets:								
– Unlisted	–	–	203	203	–	–	203	203
Derivative financial instruments:								
– Forward exchange contracts	–	983	–	983	–	–	–	–
	–	983	203	1,186	–	–	203	203
Liabilities								
Derivative financial instruments								
– Forward exchange contracts	–	7,675	–	7,675	–	–	–	–

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward exchange contracts is determined based on quotes from market makers or alternative market participants supported by observable inputs including spot and forward exchange rates. The fair value of other derivative financial instruments is determined based on the amount that the Group would receive or pay to terminate the contracts with the independent counterparties at the end of the reporting period, taking into account current observable inputs. The fair value of the unlisted available-for-sale financial asset in Level 2 is determined using a valuation technique based on the net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the unlisted available-for-sale financial asset. The assets held by the unlisted available-for-sale financial asset consist of a publicly traded investment in an active market which is reported at the market closing price.

Information about Level 3 fair value measurements

Other unlisted available-for-sale financial assets carried at fair value are categorised within Level 3 of the fair value hierarchy. The fair values are determined using a valuation technique or based on the net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the investee fund.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(f) Fair values measurement (cont'd)

(i) Financial assets and liabilities measured at fair value (cont'd)

The movements during the year in the balance of Level 3 fair value measurements are as follows:

	The Group	
	2015 US$'000	2014 US$'000
Unlisted available-for-sale financial assets:		
At 1 July	**3,631**	35,113
Payment for purchases	**15,000**	–
Net unrealised losses recognised in other comprehensive income during the year	**–**	(53)
Redemption of cost	**(603)**	(198)
Transfer to Level 2	**–**	(31,232)
Exchange adjustments	**6**	1
At 30 June	**18,034**	3,631
Total gains or losses for the year reclassified from consolidated other comprehensive income on disposal	**–**	–

The gains or losses arising from the disposal of the unlisted available-for-sale financial assets are presented in "other net income" in the consolidated income statement. The net unrealised gains arising from the remeasurement of the unlisted available-for-sale financial assets are recognised in fair value reserve in other comprehensive income.

(ii) Fair value of financial assets and liabilities carried at other than fair value

Other than for the mortgage debenture stock, the carrying amounts of the financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2015 and 30 June 2014.

The fair value of the mortgage debenture stock at 30 June 2015 is estimated to be US$122.5 million (2014: US$378.0 million) and is classified within Level 3 of the fair value hierarchy. The interest rate used to discount estimated cash flows at the reporting date was 1.7% (2014: ranged from 0.5% to 2.4%).

(g) Financial assets and liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master agreements providing offsetting mechanism under certain circumstances. As at 30 June 2015 and 30 June 2014, the Group and the counterparties have not exercised their rights to offset the financial instruments and the derivatives are settled at gross amount.

37. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure by reviewing its equity-debt ratio and cashflow requirements, taking into account of its future financial obligations and commitments. For this purpose, the Group defines equity-debt ratio as the ratio of the total equity attributable to equity shareholders of the Company to net debt. Net debt comprises total borrowings less cash and short term funds and trading financial assets.

The equity-debt ratio at the end of the reporting period is as follows:

	The Group	
	2015 US$'000	2014 US$'000
Bank loans	**4,129,582**	4,092,257
Mortgage debenture stock	**91,525**	337,672
Other borrowings	**1,469,122**	1,835,636
Total borrowings	**5,690,229**	6,265,565
Less: Cash and short term funds	**(2,641,545)**	(1,807,134)
Trading financial assets	**(973,865)**	(1,844,269)
Net debt	**2,074,819**	2,614,162
Total equity attributable to equity shareholders of the Company	**7,538,536**	7,256,604
Equity-debt ratio	**78 : 22**	74 : 26

38. COMMITMENTS

(a) Operating lease arrangements

(i) As lessee

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating lease are payable as follows:

	The Group	
	2015 US$'000	2014 US$'000
Within 1 year	**132,311**	164,779
After 1 year but within 5 years	**526,199**	629,680
After 5 years	**1,541,793**	1,925,620
	2,200,303	2,720,079

The Group leases a number of properties, plant and machinery under operating leases. The leases typically run for periods from 1 year to 50 years, with an option to renew the lease after expiry date. Regular lease payment reviews are required by the majority of the lease agreements.

(ii) As lessor

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating lease are receivable as follows:

	The Group	
	2015 US$'000	2014 US$'000
Within 1 year	**17,594**	17,369
After 1 year but within 5 years	**34,612**	34,387
After 5 years	**12,857**	17,509
	65,063	69,265

38. COMMITMENTS (cont'd)

(b) Capital commitments outstanding at year end not provided for in the financial statements

	The Group	
	2015 US$'000	2014 US$'000
Authorised and contracted for	13,923	20,387
Authorised but not contracted for	35,460	31,219
	49,383	51,606

The commitment in respect of development expenditure contracted but not provided for in the financial statements by the Group was US$517.9 million (2014: US$1,175.6 million); in respect of purchase of land was US$nil (2014: US$318.9 million).

(c) There were also commitments in respect of foreign currency contracts relating to the normal operations at 30 June 2015.

39. CONTINGENT LIABILITIES

(a) GuocoLand

The significant contingent liabilities of the GuocoLand group as at 30 June 2015 relate to claims and counter-claims arising from an acquisition in November 2007 of a 100% interest in Hainan Jing Hao Asset Limited ("Hainan Co"), which in turn held a 90% stake in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("DZM Project Co"), the company undertaking the Dongzhimen project in Beijing ("DZM Project") by GuocoLand (China) Limited ("GLC"), a wholly-owned subsidiary of GuocoLand. Details of the significant contingent liabilities were disclosed in the Group's financial statements for the year ended 30 June 2014.

During the year, GLC obtained a judgment ("Appeal Judgment") from the Hainan High Court which overruled the judgment by the Hainan Haikou Intermediate People's Court, and also revoked the decision of the Industrial and Commercial Administrative Bureau ("ICAB") of Hainan Province. ICAB had earlier reverted GLC's registered ownership in Hainan Co, to the vendors of the DZM Project. The Appeal Judgment effectively restored GLC's ownership in Hainan Co.

Subsequent to the reporting date, on 20 August 2015, GuocoLand announced that GLC had entered into a Master Transaction Agreement (the "Agreement") to dispose all the equity, contractual and loan interest of GLC in or relating to the DZM Project (hereinafter referred to as the "Transaction") (see note 41(b)). The Agreement provides that the buyer will indemnify GLC, its affiliates and representatives from and against all actions, losses and liabilities to which any of these parties is or may become subject to arising out of or related to the DZM Project.

39. CONTINGENT LIABILITIES (cont'd)

(b) Rank

(i) Property leases

Concurrent to the GBP211 million (approximately US$332 million) sale and leaseback in 2006, Rank transferred the rights and obligations but not the legal titles of 44 property leases to a third party. Rank remains potentially liable in the event of default by the third party. Should default occur then Rank would have recourse to two guarantors. It is understood that, of the original 44 leases transferred, 11 of these have not expired or been surrendered. These 11 leases have durations of between 17 months and 98 years and a current annual rental obligation (net of sub-let income) of approximately GBP1.1 million (approximately US$1.7 million).

During the prior year, Rank became aware of certain information in respect of a change in the financial position of the third party and one of the guarantors. However, Rank has not to date been notified of any default, or intention to default, in respect of the transferred leases.

(ii) Stamp duty

Rank has received from HM Revenue & Customs ("HMRC") a determination in respect of the amount of stamp duty payable on certain transactions undertaken by Gala Casino 1 Limited (now Grosvenor Casinos (GC) Limited) before its acquisition by Rank on 12 May 2013. Rank estimates the maximum potential additional stamp duty that could be due if HMRC are successful to be GBP7.2 million (approximately US$11.3 million) plus interest. Under the terms of the Sale and Purchase Agreement the vast majority of any liability arising falls upon the vendor and Rank has further indemnification in the event of default by the vendor.

40. MATERIAL RELATED PARTY TRANSACTIONS

(a) Banking transactions

Transactions with companies in the Hong Leong Company (Malaysia) Berhad Group ("HLCM"):

During the year, the Group entered into a number of transactions in the normal course of business with companies in the HLCM group including deposits and correspondent banking transactions. The transactions were priced based on the relevant market rates at the time of each transaction, and were under the same terms as those available to the independent counterparties and customers.

Information relating to interest income from these transactions during the year and balance outstanding at the end of the reporting period is set out below:

(i) Income for the year ended 30 June

	The Group	
	2015 **US$'000**	2014 US$'000
Interest income	**1,044**	1,288

40. MATERIAL RELATED PARTY TRANSACTIONS (cont'd)

(a) Banking transactions (cont'd)

(ii) Balance as at 30 June

	The Group	
	2015 US$'000	2014 US$'000
Cash and short term funds	28,560	40,944

(b) Management fees

On 2 July 2014, the Company renewed its master services agreement with GOMC Limited ("GOMC") and GuoLine Group Management Co. Limited ("GGMC"), subsidiaries of HLCM, for provision by GOMC or GGMC of management services to the Company and/or its subsidiaries (excluding those subsidiaries which are from time to time incorporated, resident or having principal place of business in Malaysia (the "Malaysian Subsidiaries"), for a term of 3 years from 1 July 2014 to 30 June 2017. Total amount paid or provided for in respect of management fees to GOMC and GGMC for the year ended 30 June 2015 amounted to US$8,561,000 (2014: US$6,023,000) and US$8,614,000 (2014: US$15,151,000) respectively.

On 2 July 2014, the Company renewed its master services agreement with HL Management Co Sdn Bhd ("HLMC"), a subsidiary of HLCM, for the provision of management services to the Malaysian Subsidiaries of the Company for a term of 3 years from 1 July 2014 to 30 June 2017. Total amount paid or provided for in respect of management fees to HLMC for the year ended 30 June 2015 amounted to US$1,077,000 (2014: US$888,000).

The previous two master service agreements entered into between the Group and the subsidiaries of HLCM expired on 30 June 2014.

(c) Key management personnel information

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

	The Group	
	2015 US$'000	2014 US$'000
Short-term employee benefits	6,990	6,531

Total remuneration is included in "staff costs" (see note 7(b)).

40. MATERIAL RELATED PARTY TRANSACTIONS (cont'd)

(d) Sale of property units

On 24 November 2014, a wholly owned subsidiary of GLM which in turn is an indirect listed subsidiary of the Company, entered into a letter of offer with an indirect wholly owned subsidiary of HLCM, pursuant to which the vendor agreed to sell and the purchaser agreed to purchase 12 property units at an aggregate consideration of RM63,322,000 (approximately US$16,782,000).

(e) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of (a) banking transactions and (b) management fees above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section "INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS" of the Report of the Directors.

41. SUBSEQUENT EVENTS

(a) Undertaking to subscribe for the proposed rights issue of HLFG

On 12 August 2015, HLFG, a 25.37% owned associated company of the Company, with shares listed on Bursa Malaysia Securities Berhad, proposes to undertake a renounceable rights issue of new HLFG shares to raise a gross proceeds of up to RM1.1 billion (approximately US$291.5 million). Guoco Assets Sdn Bhd, a wholly owned subsidiary of the Company holding 25.37% in the total issued share capital of HLFG, has undertaken to subscribe for its entitlement of approximately RM279.1 million (approximately US$74.0 million) of the proposed rights issue.

(b) Disposal of entire interests in DZM Project

As described in note 39(a), on 20 August 2015, GuocoLand announced that its wholly-owned subsidiary, GLC, had entered into the Agreement to dispose all the equity, contractual and loan interest of GLC in or relating to the DZM Project for a total consideration of RMB10.5 billion (approximately US$1.69 billion). RMB9.45 billion (approximately US$1.52 billion) was paid upon signing of the Agreement and the balance of RMB1.05 billion (approximately US$0.17 billion) is payable on the last day of the 18th month from the date of the Agreement or dealt with in accordance with the tax provisions in the Agreement, as the case may be. The Transaction is expected to generate a net gain of approximately S$480 million (approximately US$357 million).

42. PARENT AND ULTIMATE HOLDING COMPANY

The directors consider the parent company at 30 June 2015 to be GuoLine Overseas Limited, which is incorporated in Bermuda and the ultimate holding company to be Hong Leong Company (Malaysia) Berhad, which is incorporated in Malaysia. These entities do not produce financial statements available for public use.

43. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDED 30 JUNE 2015

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the accounting year ended 30 June 2015 and which have not been adopted in these financial statements:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 11 – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to HKAS 16 and HKAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to HKAS 27 – Equity Method in Separate Financial Statements	1 January 2016
HKFRS 15, Revenue from Contracts with Customers	1 January 2017
HKFRS 9, Financial Instruments	1 January 2018

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position except for HKFRS 9, Financial Instruments, which may have an impact on the Group's results and financial position arising from changes in the Group's classification and measurement of financial instruments.

In addition, the disclosure requirements of Part 9, "Accounts and Audit", of the new Hong Kong Companies Ordinance (Cap. 622) will be applicable for the first time to the Company's financial year ending 30 June 2016 in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

MAJOR DEVELOPMENT PROPERTIES AND PROPERTIES HELD FOR SALE OF THE SUBSIDIARIES

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq.m	Gross floor area sq.m	Group's interest %
Singapore						
Goodwood Residence situated at Bukit Timah Road	Residential	Completed	TOP obtained on 28 June 2013	24,845	39,752	65
Sophia Residence situated at 32 Adis Road	Residential	Completed	TOP obtained on 4 April 2014	15,435	32,413	65
Leedon Residence situated at Leedon Heights	Residential	Completed	TOP obtained on 15 June 2015	48,525	85,270	65
Tanjong Pagar Centre situated at Peck Seah Street/ Choon Guan Street	Residential/ Retail/Office/ Hotel	Superstructure and architectural works in progress	2nd Half 2016	15,023	157,738	52
Sims Urban Oasis situated at Sims Drive	Residential	Piling works in progress	3rd Quarter 2018	23,900	72,546	65
Malaysia						
Site situated at Geran No. 20438, Lot 36, Bandar Batu Ferringhi, Pulau Pinang	Residential	Planning	*	18,534	18,534	44
Damansara City situated at Damansara Town Centre, Kuala Lumpur	Commercial	Building works in progress	August 2015	32,450	232,337	44
Bukit Rahman Putra situated at Mukim of Sg. Buloh, Selangor Darul Ehsan	Residential	Phase 6B: Main building works completed	December 2015	102,746	71,310	44
		Planning	N/A	16,430	16,430	44
Site situated at Mukim of Jasin, Melaka Darul Amin	Residential	Planning	*	15,467,341	15,467,341	44

MAJOR DEVELOPMENT PROPERTIES AND PROPERTIES HELD FOR SALE OF THE SUBSIDIARIES

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq.m	Gross floor area sq.m	Group's interest %
Malaysia (cont'd)						
Site situated at Lot 3059, Mukim of Hulu Kelang, District of Gombak, Selangor Darul Ehsan	Residential	Planning	*	30,350	30,350	44
Changkat Kia Peng, Lot 241 Seksyen 63, Bandar, Kuala Lumpur	Residential	Planning	*	3,031	16,752	44
Site situated at Geran No. 18795-18799, 18803-18805, 18831, Lot 7585-7589, 7597-7599, 7600 Mukim Petaling and District of Kuala Lumpur	Residential	Planning	*	184,687	184,687	44
Site situated at 13507, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling	Commercial	Building works in progress	*	12,141	38,052	44
3 Kia Peng situated at No. 3 Jalan Kia Peng, 50450 Kuala Lumpur	Commercial	–	–	13,442	77,299	51
Sri Sentosa situated at Jalan Taman Sri Sentosa 58000 Kuala Lumpur	Residential	–	–	14,717	37,723	44
Bukit Rahman Putra situated at Mukim of Sg. Buloh, Selangor Darul Ehsan (Bungalow, 7E, Ph6A)	Residential	–	–	15,455	49,712	44

MAJOR DEVELOPMENT PROPERTIES AND PROPERTIES HELD FOR SALE OF THE SUBSIDIARIES

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq.m	Gross floor area sq.m	Group's interest %
Malaysia (cont'd)						
Amandarii, Kajang situated at Seksyen 9, Tempat Sungai Kantan, Daerah Hulu Langat, Selangor Darul Ehsan	Residential	–	TOP obtained in September 2013	35,450	16,591	44
Commerce One, Bedford Business Park situated at Old Klang Road, Mukim of Petaling Jaya, Kuala Lumpur	Commercial	–	TOP obtained in December 2013	4,634	20,631	44
PJ City Corporate Hub situated at Lot 13508 Seksyen 32 Bandar Petaling Jaya Daerah Petaling	Commercial	–	TOP obtained in April 2014	31,404	18,486	44
OVAL Kuala Lumpur situated at Seksyen 63, Jalan Binjai, Kuala Lumpur	Residential	–	TOP obtained in September 2009	7,080	54,474	44
Taman Megah Ria situated at Masai, Johor	Residential	–	–	N/A	243	44

MAJOR DEVELOPMENT PROPERTIES AND PROPERTIES HELD FOR SALE OF THE SUBSIDIARIES

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq.m	Gross floor area sq.m	Group's interest %
The People's Republic of China						
Shanghai Guoson Centre situated in Putuo District, Shanghai	Commercial#	Phase 1: TOP obtained in July 2010	N/A	67,335	155,618	65
	Hotel^	TOP obtained in June 2010	N/A			
	Serviced Apartment	TOP obtained in March 2013	N/A			
	Commercial/ Office	Phase 2: Construction works in progress	4th Quarter 2016	76,510	214,330	65
Changfeng Plot 9, site situated in Putuo District, Shanghai	Residential	Piling	December 2016	47,675	122,400	83
Seasons Park situated in Nankai District, Tianjin	Residential	TOP obtained in December 2013	N/A	25,866	209,661	65
Beijing Guoson Centre situated in Dong Cheng District, Beijing	Residential/ Commercial/ Office/Hotel	Construction works under review	N/A	106,000	595,812	59
Vietnam						
The Canary situated in Thuan An District, Binh Duong Province	Residential/ Commercial	Phase 2: TOP obtained in September 2013	N/A	101,532	152,000	65
		Phases 3 & 4: Planning	*			

* Not available as these developments have not commenced construction or have not been launched yet.
\# The carrying value is included in Investment Properties.
^ The carrying value is included in Other Property, Plant and Equipment.
N/A: Not applicable.

MAJOR PROPERTIES OF THE SUBSIDIARIES HELD FOR INVESTMENT

Location	Existing Use	Tenure of Land
Singapore		
20 Collyer Quay Singapore 049319	Office building	999 years lease with effect from 5 November 1862
Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	Reversionary interests in freehold land	(Note)
Tanjong Pagar Centre situated at Peck Seah Street/ Choon Guan Street, Singapore	Land under development	99 years lease with effect from 21 February 2011

Note: The Group disposed of its interests in a 98-year lease (with effect from 19 March 1998) in the freehold land in July 2006 to a third party. Accordingly, the Group recognised its reversionary interests in the freehold land.

Location	Existing Use	Tenure of Land
Malaysia		
Menara Pandan C & D Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur	Office tower building	99 years lease with effect from 25 March 2002
Damansara City Lot 58303 Damansara Heights Jalan Damanlela 50490 Kuala Lumpur	Land under development	Freehold
The People's Republic of China		
Shanghai Guoson Centre No. 452 Daduhe Road Shanghai	Commercial building	50 years land use rights with effect from 11 December 2005
Hong Kong		
The Center 15th Floor 99 Queen's Road Central Hong Kong	Office building	From 24 November 1995 to 30 June 2047